City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom

Clerk: Mary Red

City Hall

Wednesday, November 01, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened 10:04 a.m.

001557 **[Visitacion Valley Interim Controls]**

Supervisors Ammiano, Bierman, Yee

Resolution imposing Interim Zoning Controls for a period of eighteen months (18) by applying the zoning controls applicable in NC-3 Districts that are contained in Municipal Code Part II, Chapter II (Planning Code) Section 712 to Assessor's Blocks 5087, 5100, and 5101, and Block 5099, Lot 14, by limiting the maximum non-residential use size to fifty thousand (50,000) square feet on Assessor's Blocks 5087, 5100 and 5101 and Block 5099, Lot 14, and in the adjacent NC-3 District located on Bayshore Boulevard and bounded by Arleta Avenue on the north and the terminus of the City and County of San Francisco to the south; and adopting findings pursuant to Planning Code Section 101.1

(Pursuant to Planning Code Section 306.7(g), notice of time and place of hearing must be published and posted not less than nine days prior to date of hearing)

8/28/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. 8/30/00-Transmitted to Director of Planning for environmental review.

10/10/00 - From Planning Department, Certificate of Determination of Exclusion from Environmental Review.

10/16/00, SUBSTITUTED. Supervisor Ammiano submitted a substitute resolution bearing new title.

10/16/00, ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Dennis Tsai, Municipal Railway; Edward Steward, Transportation Authority; Paul Lord, Planning Department; Fran Martin, Visitacion Valley Planning Alliance; Robert McCarthy; Jerry Hill; Jeanette Tolentino Hill; Amande Jawa, League of Conservation Voters; Mary Drobisch, Fredericksen Hardware; Bert Bettis; Jane Morrison, S. F. Tomorrow; Denise Minter; Anne Seeman; Howard Strassner, Sierra Club; Ena Aguirre; Rick Karp, Cole Hardware; Linda Richardson; Linda McKay; Stephen Cornell, Merchant's Association; Larry Fleming, Visitacion Valley Job Education Training Program; Saul Bloom, Art Ecology; Oz Erickson, Emerald Fund; Sophie Maxwell; Blancett Reynolds; Charles Hargrave, Housing Conservation and Development Corp.; Will Weihler; Paul Horcher, Solid Waste Management Program; Mel Washington, Bayview Merchant's Association; Victor Romero; Ken Lockwood; William Collier; Sam Perez; Merridith Wingate; Jim Lyon; Jennifer Berman, San Francisco Organizing Project; Richard Christiani; Julie Kavanagh, Executive Director, Visitacion Valley Community Center; Christine Galvez.

Amendment of the Whole changing controls to 12 months and increasing the maximum non-residential use size to 65,000 sq.ft.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution imposing Interim Zoning Controls for a period of twelve months (12) by applying the zoning controls applicable in NC-3 Districts that are contained in Municipal Code Part II, Chapter II (Planning Code) Section 712 to Assessor's Blocks 5087, 5100, and 5101, and Block 5099, Lot 14, by limiting the maximum non-residential use size to sixty-five thousand (65,000) square feet on Assessor's Blocks 5087, 5100 and 5101 and Block 5099, Lot 14, and in the adjacent NC-3 District located on Bayshore Boulevard and bounded by Arleta Avenue on the north and the terminus of the City and County of San Francisco to the south; and adopting findings pursuant to Planning Code Section 101.1

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001851 **[Sheriff's Cash Revolving Fund]**

Ordinance amending Section 10.164 of the San Francisco Administrative Code to increase the Sheriff's Cash Revolving Fund from $3,000 to $8,000. (Sheriff)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Jean Mariani, Sheriff's Department

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001852 **[Sheriff Inmate Welfare Fund]**

Ordinance amending Section 10.164-1 of the San Francisco Administrative Code to decrease the Sheriff Inmate Welfare Fund from $10,000 to $5,000. (Sheriff)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Jean Mariani, Sheriff's Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001853 **[Sheriff Transportation Funds]**

Ordinance amending Section 10.164-2 of the San Francisco Administrative Code, thereby eliminating the Cash Revolving Fund of $20,000 for Sheriff Transportation. (Sheriff)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Jean Mariani, Sheriff's Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001849 **[Lease of property at 30 Van Ness Avenue for the Sheriff's Department Backgrounds Unit currently located at 555-7th Street]**

Resolution authorizing the lease of 1439 sq. ft. at 30 Van Ness Avenue for the Sheriff's Department. (Real Estate Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Jean Mariani, Sheriff's Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001850 **[Establishing trial parking rates as permanent parking rates for City administered garages and metered facilities]**

Resolution approving trial parking rates as permanent parking rates at the Civic Center Garage, the Fifth & Mission Garage, the Golden Gateway Garage, the Moscone Center Garage, the Performing Arts Garage, the Polk-Bush Garage, the St. Mary's Square Garage, the Sutter-Stockton Garage, the Union Square Garage, the Pierce Street Garage, the California & Steiner Lot and the 22nd & Geary Lot (the "Garages"). (Parking and Traffic Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ronald Szeto, Deputy Director, Parking Authority.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001854 **[MOU, Amendment No. 1 - Building Inspectors Association, Local 22]**

Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding between the Building Inspectors Association, Local 22 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001855 **[MOU, Amendment No. 1 - Pile Drivers, Divers, Carpenters, Bridge Wharf & Dock Buildings, Local Union No. 34]**

Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding between the Pile Drivers, Divers, Carpenters, Bridge, Wharf & Dock Builders, Local Union No. 34 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001856 **[MOU, Amendment No. 1 - United Union of Roofers, Waterproofers and Allied Workers, Local No. 40]**

Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding between the United Union of Roofers, Waterproofers and Allied Workers, Local Union No. 40 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. 10/26/00 - From Dept of Human Resources, substitute MOU, providing for clerical correction under Parking-Port Section changing the word "Pile Drivers" to "Roofers."

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001857 **[MOU, Amendment No. 2 - Glaziers, Local Union No. 718]**

Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between the Glaziers, Local Union No. 718 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Harvey Rose, Budget Analyst

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001858 **[MOU, Amendment No. 1 - Supervising Probation Officers, Local Union No. 3]**

Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding between the Supervising Probation Officers, Local Union No. 3 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001859 **[MOU, Amendment No. 2 - Automotive Machinists, Local 1414]**

Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between the Automotive Machinists, Local 414 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speaker: Harvey Rose, Budget Analyst

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001860 **[MOU, Amendment No. 3 - Laborers, Local Union No. 261]**

Ordinance implementing Amendment No. 3 to the 1997-2001 Memorandum of Understanding between the Laborers, Local Union No. 261 and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding. (Human Resources Department)

10/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

990091 [Interdepartmental Jurisdictional Transfer]

Supervisors Bierman, Newsom, Leno, Ammiano, Becerril

Ordinance transferring jurisdiction over certain real property located at Drumm Street, between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface thereof, and a portion of Assessor's Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

1/19/99, ASSIGNED to Finance and Labor Committee.

2/10/99, CONTINUED. Heard in Committee. Speakers: Eula Walters. Continued to February 24, 1999

2/24/99, CONTINUED. Continued to March 3, 1999.

3/3/99, RECOMMENDED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Bierman; Supervisor Ammiano In Support: Ernestine Weiss; Dave Burnett; Barbara Kerwick; Jane Morrison; Carolyn Blair; Eula Walters; Isabel Wade; Herb Lembcke; Lynne Juarez.

Oppose: Nan McGuire, Friends of Tule Elk Park; Paul Growald; Gail Getty; Marion Page; Diana Rogers; Walter Miller; Donald Green, Laural Heights Association; Martin Rosen; Betty Landis; Ron Miguel; Jan Lassetter; Peter Boyer; Simon Hurd, S.F. League of Urban Gardners; John Norwood; Peter Winkelstein, SPUR Urban Affairs Committee; Dee Dee Workman, S. F. Beautiful; Howard Strassner, Sierra Club; Harry Overstreet, Architect for Butterfly Discovery Park Project.

3/8/99, RE-REFERRED to Finance and Labor Committee.

12/28/99, FILED PURSUANT TO RULE 5.40. 10/5/99, sponsor requests that item remain on pending until results of an environmental impact study on this property is received.

10/23/00, ASSIGNED to Finance and Labor Committee.

10/23/00, REACTIVATED PURSUANT TO RULE 5.25. Supervisor Bierman requested this matter be reactivated

Heard in Committee. Speakers: Supervisor Bierman; Ted Lakey, Deputy City Attorney; Alec Bash, Port of S. F.; Leslie Bufford, Planning Department; Tony DeLucchi, Real Estate Department; Supervisor Ammiano; Paul Growald, Alice Barkley, Attorney; Supervisor Becerril; Herb Lembke; Harry Overstreet; Laurie Adams; Alice Carnes, Chinese International School; Isabel Wade; James Chappell, SPUR; Clinton Stockwell; Bonnie Wood; Peter Boyer; Randy Hayes; Erika Lovejoy; Eula Walters; Jane Morrison; Will Parish; Ron Miguel; Pinky Kirchner; Jocelyn Cohen, S. F. Tree Council; Bob Coleman, Save Ferry Park; Soo Wooja Im; Mike DeNunzio; Lawrence Tenney; Susan Tibbon; Aaron Peskin; Norman Rolfe; Betty McGovern; David Graves, Kids in Parks; Howard Strassner, Sierra Club; Dave Snyder, Bicycle Coalition; Angela Chung; Barbara Deutsch, Community Gardens for Butterflies; Esther Woeste, President, Golden Gateway Tenants Association; Christine Jeck, Save the Bay; David Miles; Jeanette Black; Emile Young; Arthur Chang; Jim Collins; Darin Ow-Wing, Community Educational Services; Maria Matson; Antonette Miard; Catlin Cartwright; Beatrice Laws; Bette Landis; Terry Milne; Bill Wilson; Dave Burnett; Carolyn Blair; Enrique Palacias; Ernestine Weiss.

Amendment of the Whole deleting reference to Port negotiations with developer for the renovation of the Ferry Building.

To Board November 20, 2000; Supervisor Yee dissenting in committee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Bierman, Ammiano
Noes: 1 - Yee

ADJOURNMENT

The meeting adjourned at 1:35 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 27, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: November 1, 2000 Finance and Labor Committee Meeting

Items 2, 3, and 4 - Files 00-1851, 00-1852, and 00-1853

Department: Sheriff's Department

Items:

Item 2 - File 00-1851: Ordinance amending Section 10.164 of the San Francisco Administrative Code to increase the Sheriff's Cash Revolving Fund from $3,000 to $8,000.

Item 3 - File 00-1852: Ordinance amending Section 10.164-1 of the San Francisco Administrative Code to decrease the Sheriff's Inmate Welfare Cash Revolving Fund from $10,000 to $5,000.

Item 4 - File 00-1853: Ordinance repealing Section 10.164-2 of the San Francisco Administrative Code, thereby eliminating the Sheriff's Transportation Cash Revolving Fund in the amount of $20,000.

Description:

The three proposed ordinances are in response to recommendations made by the Audits Division of the Controller's Office on May 4, 1999 (for File 00-1853) and August 7, 1999 (for Files 00-1851 and 00-1852), after the completion of its audits of three

Cash Revolving Funds administered by the Sheriff's Department.

File 00-1851: This ordinance would increase the Sheriff's Cash Revolving Fund balance authorization by $5,000, from $3,000 to $8,000. The Controller's auditors recommended this increase on the basis that $3,000 is insufficient to meet the Sheriff's Department's current operational needs.

File 00-1852: This ordinance would reduce the Sheriff's Inmate Welfare Cash Revolving Fund balance authorization by $5,000, from $10,000 to $5,000. The Controller's auditors recommended this reduction on the basis that the Sheriff's Department did not use, or require, the full authorized balance.

File 00-1853: This ordinance would delete reference to the Sheriff's Transportation Cash Revolving Fund in the Administrative Code thereby eliminating that Fund in the amount of $20,000. The Sheriff closed that Fund account and returned the money to the Controller's Office on February 16, 2000.

Cumulatively, the three subject ordinances would reduce the total Cash Revolving Fund balance of the Sheriff's Department by $20,000, from $33,000 to $13,000. While the subject ordinance under File 00-1851 would increase the Sheriff's Cash Revolving Fund by $5,000, the subject ordinance under File 00-1852 would decrease the Sheriff's Inmate Welfare Cash Revolving Fund by $5,000, and the subject ordinance under File 00-1853 would eliminate the Sheriff's Transportation Cash Revolving Fund of $20,000.

Comments: File 00-1851

1. The Sheriff's Cash Revolving Fund is used by the Sheriff's Department to pay for minor office and maintenance expenses. In July of 1997, an ordinance amending Article XV, Chapter 10 of the

Administrative Code revised the authorized balance of various departmental Cash Revolving Funds (File 97-97-27). The authorized balance of the Sheriff's Cash Revolving Fund was reduced from $8,000 to $3,000. According to Ms. Jean Mariani of the Sheriff's Department, this reduction was part of a general reduction of Cash Revolving Funds performed across City Departments at that time in response to the fraudulent handling of a Cash Revolving Fund in another Department. As of March 28, 2000, the Controller's auditors determined that the Sheriff's Cash Revolving Fund balance exceeded the reduced authorized balance of $3,000 by $5,000. However, the Controller's auditors determined that the $3,000 authorized balance was insufficient to meet the Sheriff's Department's operational needs. For the 12 months between April of 1999 and March of 2000, the Sheriff's Department requested replenishment of the Sheriff's Cash Revolving Fund 139 times in a total amount of $45,414, or approximately $3,785 each month. Therefore, the Controller's auditors recommended that an $8,000 authorized balance would allow the Sheriff's Department to manage its Sheriff's Cash Revolving Fund expenses more efficiently. Ms. Mariani states that the Controller's auditors determined the amount of $8,000 on the basis of doubling the peak rate of expenditure of $4,000 per month so that the Sheriff's Department would only need to replenish its Sheriff's Cash Revolving Fund once a month on average.

2. The Controller's auditors identified insufficient segregation of incompatible duties of the Sheriff's Cash Revolving Fund custodian when the Sheriff's Department allowed that custodian to also conduct bank reconciliations of the Sheriff's Cash Revolving Fund bank account. Ms. Mariani states that the Sheriff's Department has instituted a two-tier counter-signature and review process to ensure appropriate segregation of duties.

File 00-1852

3. The Sheriff's Inmate Welfare Revolving Fund is used to pay for minor inmate-related expenses. The Controller's auditors recommended that this Fund's $10,000 authorized balance be reduced to $5,000 on the basis that the Sheriff's Department did not use, or require, the full authorized balance. During calendar year 1999, the Sheriff's Department spent $25,900, or an approximate average of $2,158 each month. The Controller's auditors determined a decreased authorized balance of $5,000 on the basis of doubling the peak rate of expenditure of $2,500 per month so that the Sheriff's Department would only need to replenish its Sheriff's Inmate Welfare Cash Revolving Fund once a month.

4. According to Ms. Mariani, the Sheriff's Department will return any funds in excess of $5,000 to the Controller's Office following Board of Supervisors approval of the subject ordinance.

File 00-1853

5. The Sheriff's Transportation Cash Revolving Fund was designed to pay for travel expenses related to transporting prisoners held in custody by the City and County of San Francisco. This Fund has had no activity since 1998 when the Sheriff's Department contracted with an independent agency, Tri-County Extradition Service, to transport prisoners as needed on a more cost-effective basis. That agency is paid directly from warrants issued by the Controller's Office, rather than through the Sheriff's Transportation Cash Revolving Fund. Therefore, the Sheriff closed the Sheriff's Transportation Cash Revolving Fund account and returned the money to the Controller's Office on February 16, 2000.

Recommendation: Approve the proposed ordinances.

Item 5 - File 00-1849

Department:	Real Estate Division (RED) Sheriff's Department
Item:	Resolution authorizing a new lease of 1,439 square feet at 30 Van Ness Avenue to be used as office space for the Sheriff's Department.
Location:	30 Van Ness Avenue
Purpose of Lease:	Rental of office space
Lessor:	Herbst Foundation, a non-profit organization
Lessee:	City and County of San Francisco
No. of Sq. Ft. and Cost Per Month:	1,439 square feet at $4,197.08 per month, or approximately $2.92 per square foot per month
Annual Cost:	$50,365 ($35 per square foot)
Utilities and Services Provided by Lessor:	The Landlord provides (a) janitorial and security guard services, (b) heating, air conditioning, and ventilation during normal business hours, (c) passenger elevator service, (d) electricity for normal business use, including use of personal computers and other office machines, and (e) water.
Term of Lease:	January 1, 2001 through December 31, 2005 (5 years)
Right of Renewal:	Two additional terms of 5 years each
Source of Funds:	Funds appropriated in the FY 2000-2001 Sheriff's Department Budget, as approved by the Board of Supervisors
Description:	The Sheriff's Department currently has 45 employees occupying 7,668 square feet of office space at 555 7th Street. The City has purchased the facility at 555 7th Street in accordance with the prior authorization from the Board of Supervisors for the City to issue Certificates of Participation to finance the acquisition of the facility (File 99-0152). According to Mr. Charles Dunn of RED, the City's operating

and debt service costs for the Sheriff's Department portion of the office at 555 7th Street is approximately $26.40 per square foot per year or $2.20 per square foot per month and a total cost of $202,435 annually ($16,870 monthly). The Sheriff's Department is now proposing to move its Backgrounds Unit, which consists of seven existing employees at the 555 7th Street location, to new leased space at 30 Van Ness Avenue. The proposed lease at 30 Van Ness Avenue would be for 1,439 square feet of space at an annual rent of $50,365 or $35.00 per square foot per year, which is $2.92 per square foot per month. The proposed new lease would reduce significant overcrowding at the Department's current facility at 555 7th Street, according to Ms. Vicki Hennessy of the Sheriff's Department. Presently, 45 employees occupy 7,668 square feet of space at 555 7th Street, or an average of 170.4 square feet per employee, including common areas and two training rooms. The proposed new lease would increase the average number of square feet per employee for the remaining 38 employees (45 less 7) at the 555 7th Street facility from approximately 170 to 202 (7,668 square feet divided by the remaining 38 employees). The proposed new lease would provide 1,439 square feet of space for the Sheriff's Department at 30 Van Ness, which would provide an average of 206 square feet per employee, including a reception area and interview room, for the seven employees that presently staff the Sheriff's Department's Background Unit.

Comments:

1. According to Mr. Dunn, the proposed rental rate of $2.92 per square foot per month represents fair market value.

2. According to Ms. Hennessy, the Sheriff's Department is currently experiencing significant overcrowded conditions at 555 7th Street. Ms. Hennessy states that because of these overcrowded conditions, the Sheriff's Department is forced to have some employees use desks located in hallways. Ms. Hennessy further states that the Department has been attempting to lease additional space to alleviate such overcrowded conditions for over 1½ years. According to Ms. Hennessy, the proposed new lease would result in a significant improvement over the Department's current overcrowded conditions. The Attachment is a memorandum provided by Ms. Hennessy explaining the need for the proposed new space to be leased at 30 Van Ness.

3. In addition to the proposed annual rent of $50,365 to lease 1,439 square feet of space at 30 Van Ness Avenue, the City would pay $14,000 toward the construction of tenant improvements, which would consist of construction of the interior portion of the space, which is at present unimproved. According to Mr. Dunn, the landlord would expend approximately $70,000 for tenant improvements. Thus, the City's contribution of $14,000 would represent a reimbursement to the landlord of approximately 20 percent of the total cost of the tenant improvements.

According to Ms. Hennessy, the annual rent and operations costs, as well as the one-time tenant improvement costs, would be paid from funds in the Sheriff's FY 2000–01 budget, as previously appropriated by the Board of Supervisors.

4. According to Mr. Dunn, after December 31, 2001, which would be the end of the first year of the lease, in addition to the annual base rent of $50,365, the Sheriff would incur additional costs as follows:

(a) Increased expenses for Property Taxes, insurance, and other related costs that affect the entire building at 30 Van Ness. Such costs would be equivalent to 0.81 percent of those increased expenses (1,439 square feet divided by 178,128 total rentable square feet in the 30 Van Ness building).
(b) Increased costs for office expenses. Such costs would be equivalent to 0.9 percent of these increased expenses (1,439 square feet divided by 160,768 of net rentable office space). Such increased costs would include janitorial and security guard services, electricity and other increased operating costs.

Mr. Dunn reports that RED does not currently have estimates for the costs described in (a) and (b) above. However, Ms. Hennessy estimates that such costs would be absorbed in the Sheriff's annual budget.

Mr. Dunn states that this provision is standard, and appears in approximately 99 percent of all office leases facilitated by RED.

5. After expiration of the subject lease on December 31, 2005, the City would have the option to renew the lease for two

additional terms of five years each. Under the initial renewal period of 5 years, on January 1, 2006, the annual base rent would be adjusted upward by the ratio of the percentage increase in the Consumer Price Index (CPI). The base rent could not be adjusted downward if the new CPI were less than the beginning year CPI. Under the second renewal period of five years, beginning on January 1, 2011, the City would pay a rental rate equal to 95 percent of the prevailing market rate at that time.[1]

6. As noted above, this proposed new lease would not result in a reduction of existing office space for the Sheriff, but rather would alleviate overcrowded conditions in existing office space at 555 7th Street by transferring seven employees of the Sheriff's Backgrounds Unit at the 555 7th Street facility to the new proposed lease at the 30 Van Ness facility.

Recommendation: Approve the proposed resolution.

---

[1] According to the proposed lease agreement, this provision states: (a) that if the parties cannot agree as to the prevailing market rate, the two shall attempt to select a commercial real estate agent to determine the prevailing market rate, (b) that if the two parties are unable to agree to a single agent, than each party shall select their own agent, and those agents shall attempt to agree upon a prevailing market rate, (c) that if the two agents are unable to agree upon a prevailing market rate, those agents shall select a third agent to decide the prevailing market rate, and (d) that if the two agents cannot decide upon a third agent, the prevailing market rate shall be determined by the commercial arbitration rules of the American Arbitration Association.

City and County of San Francisco

OFFICE OF THE SHERIFF

Michael Hennessey
SHERIFF

(415) 554-7225

Mr. Daley Dunham
Budget Analyst
Board of Supervisors
1390 Market Street, Suite 1025
San Francisco, CA 94102

October 26, 2000

RE: Rental of Space at 30 Van Ness Item # File 00-1849

Dear Mr. Dunham,

I write this letter in support of the above noted item scheduled for the November 1, 2000 meeting of the Finance and Labor Committee.

In the last few years the San Francisco Sheriff's Department has grown significantly as we have taken on duties once performed by other City entitities and responded to new State mandates. Due to this growth we have been forced to accommodate employees by placing desks in lobbies, hallways and areas intended to be classrooms at our location at 555-7th Street. We have been looking for suitable space for over 1 ½ years and, after a few promising locations did not become available, Mr. Charlie Dunn of the Department of Real Estate was able to offer us the space at 30 Van Ness. While the space at 30 Van Ness will not address all our current or long term needs, it will provide immediate relief to our Backgrounds Unit which consists of seven sworn deputy sheriffs.

Thank you for your efforts on our behalf. If you require any further information, please contact me at 554-7225.

Sincerely,

Vicki L. Hennessy
Chief Deputy
Administration and Courts Division

ROOM 456, CITY HALL • 1 DR. CARLTON B. GOODLETT PLACE • SAN FRANCISCO, CA. 94102
EMAIL: sheriff@ci.sf.ca.us • FAX. (415) 554-7050

Item 6 - File 00-1850

Department: Department of Parking and Traffic (DPT)
Parking Authority

Item: Resolution approving parking rates on a permanent basis at 12 City-owned parking facilities which were previously implemented on a trial basis at the Civic Center Garage, the Fifth and Mission Garage, the Golden Gateway Garage, the Moscone Center Garage, the Performing Arts Garage, the Polk-Bush Garage, the St. Mary's Square Garage, the Sutter-Stockton Garage, the Union Square Garage, the Pierce Street Garage, the California and Steiner Lot, and the 22nd and Geary Lot (the Garages). Except for the "Re-opening the Garage Fee," the "Damaged Access Card Fee," the extension of some of the hours of day time parking rates and various changes to other parking fees, the proposed permanent parking rates would be identical to the existing parking rates implemented by the DPT on a trial basis.

Description: Both the Parking and Traffic Commission and the Parking Authority Commission have oversight responsibility of City-owned parking facilities. This responsibility includes reviewing the parking rates charged at City-owned garages and surface parking lots and making recommendations to the Board of Supervisors for changes in parking rates. Institution of parking rate recommendations on a permanent basis requires approval by the Board of Supervisors pursuant to Administrative Code Section 17.14. The proposed resolution would adopt the parking rates recommended by the Parking and Traffic Commission and the Parking Authority Commission for 12 City-owned parking facilities at the identical rates which had been implemented by the DPT on a trial basis except for the introduction of the "Re-opening the Garage Fee," the "Damaged Access Card Fee," the extension of some of the hours of day time parking rates and various changes to other parking fees.

Mr. Ronald Szeto of the Parking Authority reports that, in accordance with Section 17.14 of the Administrative Code, the Parking and Traffic Commission and the Parking Authority can approve revised parking rates at City

parking facilities on a trial basis for a period of up to 180 days without first obtaining the approval of the Board of Supervisors. The existing parking rates for the subject facilities were implemented by the DPT on a trial basis in August of 1997, November of 1997, August of 1998, December of 1999 and April of 2000. On August 15, 2000 the Parking and Traffic Commission and the Parking Authority revised the trial parking rates to be implemented on a permanent basis. According to Mr. Szeto, the DPT implemented the parking rates on a trial basis to meet objectives to reduce traffic, promote short-term transient parking, discourage low-occupancy commuter parking and increase revenues in City-owned parking facilities.

According to Mr. Szeto, the Garages have a total of approximately 9,533 physical parking spaces and approximately 3,259 monthly parking space patrons per month.

Comments:

1. Attachment I, provided by the DPT, details the proposed parking rates for each of the 12 City-owned parking facilities which are identical to the parking rates as implemented by the DPT on a trial basis except for the introduction of the "Re-opening the Garage Fee," the "Damaged Access Card Fee," the extension of some of the hours of day time parking rates and various changes to other parking fees.

2. Attachment II, provided by the DPT, is the projected parking revenue for FY 2000-2001 and the projected parking revenue for 2001-2002 for the subject 12 parking facilities. According to Mr. Szeto, the revenue for the metered parking lots at the California and Steiner Lot, the Pierce Street Garage and the 22nd and Geary Lot fluctuates based on meter theft and the number of broken meters. Mr. Szeto further states that in 1999 DPT was able to control the high rate of meter theft occurring at the California and Steiner Lot and installed electronic meters with electronic locks, both of which led to nearly a 100% increase in gross revenues. Mr. Szeto estimates the gross revenue for the FY 2000-2001 and FY 2001-2002 for the California and Steiner Lot, the Pierce Street Garage and the 22nd and Geary Lot will be at the same level as

the gross revenue for FY 1999-2000 because of the possibility of broken meters and/or meter theft. Mr. Szeto estimates that the parking rates for all twelve parking facilities will result in total gross revenues of approximately $50,804,531 for FY 2000-2001 and approximately $51,214,531 for FY 2001-2002 compared to a total of $47,233,245 of parking revenues collected in FY 1999-2000.

3. The parking rates commenced on a trial basis in December 1999 for the Stockton Street, Golden Gateway, Civic Center, Union Square, Polk-Bush and Performing Arts garages. The parking rates at 5th and Mission, St. Mary's and Moscone Center garages commenced on a trial basis in April of 2000 and the parking rates at the 22nd and Geary Lot commenced on a trial basis in August of 1998. According to Mr. Szeto, the parking rates for the California and Steiner Lot and the Pierce Street Garage have been in place on a trial basis since August and November of 1997, respectively.

4. Mr. Szeto advises that carpool rates instituted during the trial periods were designed to encourage carpooling and to open up more parking spaces presently used by commuters for increased short term parking. To qualify as a carpool there must be three or more occupants in the vehicle.

5. According to Mr. Szeto, the "Re-opening the Garage Fee" was instituted during the trial period for the garages not open 24 hours per day to recoup the garage operator's costs of re-opening the garage during non-operating hours in order to accommodate persons attempting to retrieve their vehicles. The fee will not be paid to the City but to the garage operator. The five garages not open 24 hours per day are the Civic Center Garage, the Golden Gateway Garage, the Moscone Center Garage, the Performing Arts Garage and the Polk-Bush Garage.

6. As noted above, the parking rates implemented on a trial basis at the California and Steiner Lot, the Pierce Street Garage and the 22nd and Geary Lot facilities have been in place since August 1997, November 1997 and August 1998 respectively. This exceeds the 180-day

maximum period under which parking rates can be implemented on a trial basis by the DPT, without first obtaining approval from the Board of Supervisors, by approximately 925 days, 821 days and 547 days for the three respective parking facilities. Attachment III, provided by Mr. Szeto, is a memo explaining why the DPT did not adhere to the 180-day maximum, as stipulated in the Administrative Code, of implementing parking rates on a trial basis, without first obtaining Board of Supervisors approval.

Recommendation: Approval of the proposed resolution is a policy decision for the Board of Supervisors

CIVIC CENTER GARAGE

Transient Parking	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
Day Rates (Until 7:00 pm)			
0.0 - 1.0 Hour	1.00	1.50	1.50
1.0 - 2.0 Hours	2.00	3.00	3.00
2.0 - 3.0 Hours	3.25	4.50	4.50
3.0 - 4.0 Hours	4.50	6.00	6.00
4.0 - 5.0 Hours	6.00	8.00	8.00
5.0 - 6.0 Hours	7.50	10.00	10.00
6.0 - 7.0 Hours	9.00	12.00	12.00
Lost Ticket	13.50	18.00	18.00
Special Event	5.00	8.00	8.00
Motorcycle	1.00	1.00	1.00
Student	4.50	5.00	5.00
Bicycle	0.25	Free	Free
Evening Rates (7:00 PM until Closing)			
0.0 - 1.0 Hour	1.00	1.50	1.50
1.0 - 2.0 Hours	2.00	3.00	3.00
2.0 - 3.0 Hours	3.25	4.50	4.50
3.0 - 4.0 Hours	4.50	6.00	6.00
Monthly Parking			
Regular	125.00	156.25	156.25
Resident	90.00	90.00	90.00
Motorcycle	20.00	25.00	25.00
Government	125.00	125.00	125.00
City Departments	N/A	75.00	75.00
Carpool	N/A	75.00	75.00
Miscellaneous Charges			
Late Monthly Payments	N/A	25.00	25.00
Lost Access Card	25.00	25.00	25.00
Damaged Access Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00
Re-opening Garage Fee	N/A	N/A	50.00

FIFTH & MISSION GARAGE

Transient Parking	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
0.0 - 1.0 Hour	1.50	2.00	2.00
1.0 - 2.0 Hours	3.00	3.00	3.00
2.0 - 3.0 Hours	5.00	5.00	5.00
3.0 - 4.0 Hours	7.00	7.00	7.00
4.0 - 5.0 Hours	9.00	10.00	10.00
5.0 - 6.0 Hours	12.00	13.00	13.00
6.0 - 7.0 Hours	13.00	16.00	16.00
7.0 - 24 Hours	13.00	18.00	18.00
Lost Ticket	13.00	18.00	18.00
Motorcycle	1.00	3.00	3.00
Validation ($1.00 off; Book of 100)	50.00	50.00	50.00
Monthly Parking			
Random	150.00	200.00	200.00
Reserved Area	175.00	225.00	225.00
Carpool	N/A	100.00	100.00
Miscellaneous Charges			
Late Monthly Payments	N/A	N/A	25.00
Lost Access Card	25.00	25.00	25.00
Damage Access Card	25.00	25.00	25.00
Access Card Deposit	N/A	N/A	50.00

GOLDEN GATEWAY GARAGE

Transient Parking Day Rates Until	Original Parkinig Rates 6:00 PM	Trial Parking Rates 5:00 PM	Proposed Permanent Parking Rates 7:00 PM
0.0 - 0.5 Hour	3.00	2.00	2.00
0.5 - 1.0 Hours	3.00	4.00	4.00
1.0 - 1.5 Hours	6.00	6.00	6.00
1.5 - 2.0 Hours	6.00	8.00	8.00
2.0 - 2.5 Hours	9.00	10.00	10.00
2.5 - 3.0 Hours	9.00	12.00	12.00
3.0 - 3.5 Hours	12.00	14.00	14.00
3.5 - 4.0 Hours	12.00	16.00	16.00
4.0 - 4.5 Hours	15.00	18.00	18.00
4.5 - 5.0 Hours	15.00	20.00	20.00
5.0 - 5.5 Hours	18.00	24.00	24.00
5.5 - 6.0+ Hours	18.00	24.00	24.00
24 Hour Maximum	24.00	29.00	29.00
Lost Ticket	24.00	29.00	29.00
Early Bird	12.00	18.00	18.00
Motorcycle	3.00	3.00	3.00
Shuttle Flat Rate (Weekends Only)	N/A	2.00	2.00
Evening Rates After	6:00 PM	5:00 PM	5:00 PM
Flat Rate	4.00	5.00	5.00
Day rate does not apply when entering after 5:00 PM.			
Monthly Parking			
Regular	260.00	310.00	310.00
Motorcycle	50.00	50.00	50.00
Government	208.00	248.00	248.00
Carpool	N/A	175.00	175.00
Miscellaneous Charges			
Late Monthly Payments	N/A	25.00	25.00
Lost Access Card	50.00	25.00	25.00
Damaged Access Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00
Re-opening Garage Fee	N/A	N/A	50.00

Exhibit C

MOSCONE CENTER GARAGE

	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
Transient Parking			
0.0 - 1.0 Hour	1.50	2.00	2.00
1.0 - 2.0 Hours	3.00	3.00	3.00
2.0 - 3.0 Hours	5.00	5.00	5.00
3.0 - 4.0 Hours	7.00	7.00	7.00
4.0 - 5.0 Hours	9.00	10.00	10.00
5.0 - 6.0 Hours	12.00	13.00	13.00
6.0 - 7.0 Hours	14.00	16.00	16.00
7.0 - 24 Hours	14.00	18.00	18.00
24 Hour Maximum	14.00	18.00	18.00
Lost Ticket	14.00	18.00	18.00
Early Bird	7.00	Discontinued	Discontinued
Special Event	10.00	Discontinued	Discontinued
Monthly Parking			
Regular	150.00	200.00	200.00
Carpool	N/A	100.00	100.00
Miscellaneous Charges			
Late Monthly Payments	25.00	25.00	25.00
Lost Access Card	50.00	25.00	25.00
Damaged Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00
Re-opening Garage Fee	N/A	N/A	50.00

PERFORMING ARTS GARAGE

Transient Parking	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
0.0 - 1.0 Hour	1.00	1.50	1.50
1.0 - 2.0 Hours	2.00	3.00	3.00
2.0 - 3.0 Hours	3.50	4.50	4.50
3.0 - 4.0 Hours	5.00	6.00	6.00
4.0 - 5.0 Hours	6.50	8.00	8.00
5.0 - 6.0 Hours	8.00	10.00	10.00
6.0 - 7.0 Hours	8.00	12.00	12.00
24 Hour Maximum	11.00	12.00	15.00
Lost Ticket	11.00	12.00	15.00
Early Bird	5.00	7.00	7.00
Motorcycle	N/A	2.00	2.00
Special Event	5.00	8.00	8.00
Overnight Flat Rate	3.00	2.00	3.00 (From closing until 9:00 am)
Monthly Parking			
Regular	115.00	140.00	140.00
City Departments	60.00	75.00	75.00
Carpool	N/A	75.00	75.00
Miscellaneous Charges			
Late Monthly Payments	15.00	25.00	25.00
Lost Access Card	25.00	25.00	25.00
Damaged Access Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00
Re-opening Garage Fee	N/A	N/A	50.00

POLK - BUSH GARAGE

	Original Parking Rates 6:00 PM	Trial Parking Rates All Day	Proposed Permanent Parking Rates All Day
Transient Parking			
Day Rates Until			
0.0 - 1.0 Hour	1.00	1.00	1.00
1.0 - 2.0 Hours	2.00	2.00	2.00
2.0 - 3.0 Hours	3.00	3.50	3.50
3.0 - 4.0 Hours	4.00	5.00	5.00
4.0 - 5.0 Hours	5.00	6.50	6.50
5.0 - 6.0 Hours	6.00	8.00	8.00
6.0 - 7.0 Hours	7.00	9.50	9.50
7.0 + Hours	8.00	11.00	11.00
Early Bird	N/A	N/A	8.00
24 Hour Maximum	11.00	14.00	14.00
Lost Ticket	8.00	14.00	14.00
Special Event	N/A	5.00	5.00
Overnight Flat Rate	0.00	3.00	3.00 (From closing until 9:00 am)
Evening Rates (Until Closing)*			
0.0 - 1.0 Hour	1.00	Discontinued	Discontinued
1.0 - 2.0 Hours	2.00	Discontinued	Discontinued
2.0 - 3.0 Hours	3.00	Discontinued	Discontinued
Monthly Parking			
Regular	80.00	115.00	125.00
Carpool	N/A	75.00	75.00
Miscellaneous Charges			
Late Monthly Payments	N/A	25.00	25.00
Lost Access Card	25.00	25.00	25.00
Damaged Access Card	N/A	N/A	25.00
Lost Garage Door Opener	50.00	50.00	50.00
Access Card Deposit	25.00	50.00	50.00
Garage Door Deposit	50.00	50.00	50.00
Re-opening Garage Fee	N/A	N/A	50.00

* The evening rates are eliminated and the hourly rates apply for the entire day during the hours of operation.

ST. MARY'S SQUARE GARAGE

Transient Parking	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
Day Rates			
Monday thru Friday until 6:00 PM			
0.0 - 0.5 Hour	2.50	2.00	2.00
0.5 - 1.0 Hours	4.00	4.00	4.00
1.0 - 1.5 Hours	5.50	6.00	6.00
1.5 - 2.0 Hours	7.50	8.00	8.00
2.0 - 2.5 Hours	9.50	10.00	10.00
2.5 - 3.0 Hours	11.50	12.00	12.00
3.0 - 3.5 Hours	13.50	14.00	14.00
3.5 - 4.0 Hours	15.50	16.00	16.00
4.0 - 4.5 Hours	17.50	18.00	18.00
4.5 - 5.0 Hours	20.00	20.00	20.00
5.0 - 5.5 Hours	24.50	22.00	22.00
5.5 - 24 Hours	24.50	24.00	24.00
Lost Ticket	24.50	24.00	24.00
Early Bird (In by 9:00 AM, out by 6:00 PM)	18.00	18.00	18.00
Evening, Weekend and Holiday Rates			
Monday thru Friday 6:00 PM to 4:00 AM			
Weekend and Holidays 4:00 AM to 4:00 AM			
0.0 - 1.0 Hour	1.00	1.00	1.00
1.0 - 2.0 Hours	2.50	2.00	2.00
2.0 - 3.0 Hours	4.50	3.00	3.00
Up to 4.0 Hours (maximum)	4.50	5.00	5.00
Validation (3 hours off)	2.00	2.00	2.00
Monthly Rate			
Regular	310.00	310.00	310.00
Carpool	N/A	180.00	180.00
16th and Hoff Garage	75.00	75.00	75.00
Miscellaneous Charges			
Late Monthly Payments	N/A	25.00	25.00
Lost Access Card	25.00	25.00	25.00
Damaged Access Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00

SUTTER STOCKTON GARAGE

Transient Parking	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
Day Rates			
Mon. thru Sat. 7:00 AM to 6:00 PM			
0.0 - 1.0 Hour	2.00	2.00	2.00
1.0 - 2.0 Hours	3.00	3.00	3.00
2.0 - 3.0 Hours	4.00	4.00	4.00
3.0 - 4.0 Hours	6.00	6.00	6.00
4.0 - 5.0 Hours	8.00	8.00	8.00
5.0 - 6.0 Hours	11.00	11.00	11.00
6.0 - 7.0 Hours	15.00	15.00	15.00
7.0 + Hours	20.00	20.00	N/A
7.0 - 8.0 Hours	N/A	N/A	20.00
8.0 - 9.0 Hours	N/A	N/A	25.00
9.0 + Hours	N/A	N/A	25.00
24 Hour Maximum	25.00	25.00	30.00
Lost Ticket	25.00	25.00	30.00
Bicycles	0.25	Free	Free
Evening & Sunday Rates			
Evenings 6:00 PM to 7:00 AM			
Sundays 7:00 AM to 6:00 PM			
0.0 - 1.0 Hour	1.00	1.00	1.00
1.0 - 2.0 Hours	2.00	2.00	2.00
2.0 - 3.0 Hours	3.00	3.00	3.00
3.0 - 4.0 Hours	4.00	4.00	4.00
4.0 + Hours	5.00	5.00	5.00
Monthly Parking			
Regular	300.00	350.00	350.00
Motorcycle	50.00	50.00	50.00
Carpool	N/A	175.00	175.00
Miscellaneous Charges			
Late Monthly Payments	N/A	25.00	25.00
Lost Access Card	25.00	25.00	25.00
Damaged Access Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00

UNION SQUARE GARAGE

Transient Parking	Original Parking Rates	Trial Parking Rates	Proposed Permanent Parking Rates
0.0 - 0.5 Hour	1.00	1.00	1.00
0.5 - 1.0 Hours	2.00	2.00	2.00
1.0 - 1.5 Hours	3.00	3.00	3.00
1.5 - 2.0 Hours	4.00	4.00	4.00
2.0 - 2.5 Hours	6.00	6.00	6.00
2.5 - 3.0 Hours	8.00	8.00	8.00
3.0 - 3.5 Hours	9.00	9.00	9.00
3.5 - 4.0 Hours	10.00	10.00	10.00
4.0 - 4.5 Hours	11.00	11.00	11.00
4.5 - 5.0 Hours	12.00	12.00	12.00
5.0 - 5.5 Hours	14.00	14.00	14.00
5.5 - 6.0 Hours	16.00	16.00	16.00
6.0 - 24 Hours	20.00	20.00	N/A
6.0 - 7.0 Hours	N/A	N/A	20.00
7.0 - 24 Hours	N/A	N/A	25.00
Lost Ticket	20.00	20.00	25.00
Early Bird	10.00	N/A	N/A
Motorcycle	3.00	3.00	3.00
Hotel Transient	10.00	11.50	11.50
Hotel Guest	8.15	9.20	9.20
Monthly Parking			
Regular	310.00	350.00	350.00
Carpool	N/A	175.00	175.00
Miscellaneous Charges			
Late Monthly Payments	N/A	25.00	25.00
Lost Access Card	25.00	25.00	25.00
Damage Access Card	N/A	N/A	25.00
Access Card Deposit	25.00	50.00	50.00

Metered Parking Lots
(as amended)

	Original	Trial	Proposed
California and Steiner Lot			
Days of Operation	Monday thru Saturday	Monday thru Saturday	Monday thru Saturday
Hours of Operation	9:00 AM to 6:00 PM	9:00 AM to 9:00 PM	9:00 AM to 12:00 Midnight
Rates: Automobile	$0.50/hour (2 hr limit)	$0.50/hour (2 hr limit)	$0.50/hour (2 hr limit)
Motorcycle	$0.05/hour (10 hr limit)	$0.05/hour (10 hr limit)	$0.05/hour (10 hr limit)
22nd and Geary Lot			
Days of Operation	Monday thru Saturday	Daily	Daily
Hours of Operation	9:00 AM to 6:00 PM	9:00 AM to 12:00 Midnight	9:00 AM to 12:00 Midnight
Rate	$0.50/hour	$0.50/hour	$0.50/hour
Maximum Time Limit:	9:00 AM to 6:00 PM (1 hr limit) N/A	9:00 AM to 6:00 PM (1hr limit) 6:00 PM to Midnight (2 hr limit)	9:00 AM to 6:00 PM (1 hr limit) 6:00 PM to Midnight (2 hr limit)
Pierce Street Garage			
Days of Operation	Monday thru Sunday	Monday thru Sunday	Monday thru Sunday
Hours of Operation	9:00 AM to 10:00 PM	9:00 AM to 10:00 PM	9:00 AM to 12:00 Midnight
Rates			
Automobile hourly spaces			
Daily (9:00 AM to 6:00 PM)	$0.50/hour (2 hr limit)	$0.50/hour (2 hr limit)	$0.50/hour (2 hr limit)
Daily (6:00 PM to 10:00 PM)	$1.00 for first hour; $1.00 for additional 3 hours	$1.00/hour (no time limit)	$1.00/hour (no time limit)
Automobile all day spaces Monday thru Friday (9:00 AM to 6:00 PM)	$3.00 all day until 6:00 PM	$0.50/hour (no time limit)	$0.50/hour (no time limit)

Exhibit J

City and County of San Francisco

SAN FRANCISCO
DPT
DEPARTMENT OF PARKING & TRAFFIC

WILLIE LEWIS BROWN, JR., Mayor
FRED M. HAMOUN, EXECUTIVE DIRECTOR

ROBERT G. DAVIS, DIRECTOR, PARKING AUTHORITY

MEMORANDUM

Date: October 25, 2000

To: Maureen Singleton
Analyst
Budget Analyst

From: Ronald Szeto RS
Deputy Director
Parking Authority

Subject: File No. 00-1850

The purpose of this memorandum is to describe the methodology I used to prepare the revenue projections. I evaluated each garage on an individual basis. For each garage, I adjusted for seasonal variation (holiday shopping season, entertainment schedule, and conventions), uniqueness of programs (valet and construction projects that generates additional demand to the garage), capital improvements projects within the garage that change the number of spaces available to the public, the condition of garages, and the parking operator's ability to stimulate business.

H:\PARKING\00-1850 Budget Analyst on Parking Rates 10-25-00.doc

RATE ADJUSTMENT COMPARISON

Garage	Effective Date of Rate Adjustment	Current Months of Comparison with same Months of Prior Year	Gross Revenue Prior	Gross Revenue Current	Gross Revenue Difference	Transient Count Prior	Transient Count Current	Transient Count Difference	Monthly Count Prior	Monthly Count Current	Monthly Count Difference
Sutter Stockton	December, 1999	Dec. 99 thru Sept. 00	$ 8,800,719	$ 9,536,628	$ 735,909	1,368,917	1,406,940	38,023	2,901	2,303	(508)
Golden Gateway	December, 1999	Dec 99 thru Sept. 00	3,879,780	4,858,770	978,990	277,878	242,105	(35,773)	5,361	5,918	555
Civic Center	December, 1999	Dec. 99 thru Sept. 00	1,645,891	2,075,008	429,017	300,440	305,058	4,618	3,600	3,975	295
Union Square	December, 1999	Dec. 99 thru Aug 00	4,796,254	5,506,855	710,601	604,688	660,748	56,060	1,216	1,224	8
Polk Bush	December, 1999	Dec. 99 thru Sept. 00	254,860	286,828	31,968	47,941	41,920	(6,021)	883	773	90
Performing Arts	December, 1999	Dec. 99 thru Sept. 00	971,456	1,093,348	121,892	110,660	91,810	(18,850)	3,376	3,523	147
Fifth & Mission	April, 2000	Apr. 00 thru Sept. 00	5,576,982	7,523,611	1,946,629	773,894	950,132	176,238	6,056	4,627	(1,428)
St. Mary's	April, 2000	Apr. 00 thru Sept. 00	1,327,243	2,208,245	881,002	53,116	111,073	57,957	2,262	2,406	144
Moscone Center	April, 2000	Apr. 00 thru Sept. 00	988,848	1,260,141	273,293	94,638	97,209	2,571	1,969	1,868	(101)
Total			$ 28,240,133	$ 34,349,434	$ 6,109,301	3,632,172	3,906,995	274,823	27,503	26,705	(798)

FY 1999-2000 ACTUALS AND FY 2000-2002 REVENUE PROJECTIONS

Garage	FY 1999-2000	FY 2000-2001	FY 2001-2002
Sutter Stockton	11,072,057	11,500,000	11,750,000
Golden Gateway	5,507,299	5,800,000	6,000,000
Civic Center	2,327,880	2,400,000	2,400,000
Union Square	6,898,797	7,300,000	6,500,000
Polk Bush	314,503	340,000	350,000
Performing Arts	1,324,553	1,300,000	1,350,000
Fifth & Mission	13,861,750	15,000,000	15,500,000
St. Mary's	3,353,800	4,400,000	4,500,000
Moscone Center	2,300,065	2,500,000	2,600,000
Pierce Street	171,962	171,962	171,962
California & Steiner	70,272	70,272	70,272
22nd & Geary	22,297	22,297	22,297
Total	$ 47,223,245	$ 50,804,531	$ 51,214,531

METERED LOT REVENUE

Parking Lot	Effective Date Of Rate Adjustment	12-Month Revenue Prior to Rate Adjustment	12-Month Revenue After Rate Adjustment	Fiscal Year 1999-2000
California & Steiner	8/5/97	$35,292.80	$35,831.02	$70,272.15
Pierce Street	11/18/97	$131,362.83	$203,086.56	$171,962.42
22" & Geary	8/18/98	$9,564.32	$13,734.20	$22,297.31

FROM : PHONE NO. : 554 9895 Oct. 26 2000 05:07PM P1

City and County of San Francisco

SAN FRANCISCO
DPT
DEPARTMENT OF PARKING & TRAFFIC

WILLIE LEWIS BROWN, JR., Mayor
FRED M. HAMDUN, EXECUTIVE DIRECTOR

ROBERT G. DAVIS, DIRECTOR, PARKING AUTHORITY

MEMORANDUM

DATE: October 26, 2000

TO: Maureen Singleton
Budget Analyst Office

FROM: Ronald Szeto RS
Parking Authority

SUBJECT: **File No. 00-1850**

The purpose of this memorandum is to account for the delay in submitting a request to adopt the 180-day trail parking rates as permanent parking rates.

We reported to the Parking and Traffic Commission on August 15, 2000 that when staff forwarded these rates to the Board of Supervisors the first time (For Pierce Street Garage and California & Steiner metered facilities), the Board's Finance Committee did not calendar the Department of Parking and Traffic's (DPT) request at that time. For the 22nd & Geary metered facility, we continued to implement the parking rates on a trial basis since we wanted to make the parking rates permanent at all twelve (12) facilities at the same time.

For these reasons, we acknowledge that we have implemented parking rates on a trial basis beyond the 180-day period stipulated in the Administrative Code without first obtaining Board of Supervisors' approval.

RS:rls

H:\PARKING\Board of Supervisors\Memo to Budget Analyst re trail rates.doc

(415) 554-PARK FAX (415) 554-9834 25 Van Ness Avenue, Suite 410 San Francisco, CA 94102-4576

Items 7, 8, 9 10 and 11 – Files 00-1854, 00-1855, 00-1856, 00-1857 and 00-1858

Department: Department of Human Resources (HRD)

Items:

Item 7, File 00-1854
Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding (MOU) between the City and the Building Inspectors, Local No. 22, pursuant to Article V.C. of the Memorandum of Understanding (MOU).

Item 8, File 00-1855
Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding (MOU) between the City and the Pile Drivers, Divers, Carpenters, Bridge, Wharf & Dock Builders, Local No. 34, pursuant to Article V.C. of the MOU.

Item 9, File 00-1856
Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding (MOU) between the City and the United Union of Roofers, Waterproofers and Allied Workers, Local No. 40, pursuant to Article V.C. of the MOU.

Item 10, File 00-1857
Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding (MOU) between the City and the Glaziers, Local No. 718, pursuant to Article V.C. of the MOU.

Item 11, File 00-1858
Ordinance implementing Amendment No. 1 to the 1997-2001 Memorandum of Understanding (MOU) between the City and the Supervising Probation Officers, Local Union No. 3, pursuant to Article V.C. of the MOU.

Descriptions: The five proposed ordinances would amend five existing MOUs with different collective bargaining units. According to Ms. Alice Villagomez of the Department of Human Resources (HRD), all of the proposed amendments codify existing practices and will not result in additional costs to the City, as stated in the Attachment, provided by

HRD (see Comment No. 1). Each of the MOUs, which apply to FY 1997-1998 through FY 2000-2001, include provisions stating that existing practices would be reviewed and added to the provisions in the respective agreements.

Item 7, File 00-1854

In 1997 the Board of Supervisors approved a Memorandum of Understanding (MOU) with the Building Inspectors, Local No. 22, for the four-year period from July 1, 1997 through June 31, 2001. The MOU with the Building Inspectors, Local No. 22, covers the following two classifications, comprising a total of 74.5 Full Time Equivalent (FTE) positions: 6331 Building Inspector and 6333 Senior Building Inspector.

The subject ordinance would approve Amendment No. 1 to the subject MOU with Local No. 22. According to Ms. Villagomez, Amendment No. 1 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Official Representation
The collective bargaining contract negotiating team shall continue to be paid for release time to participate in negotiation, mediation and arbitration during the employees' regular work hours.

Work Schedules
Employees will continue to receive two paid 15-minute breaks for each full time shift, one in the morning and one in the afternoon. In addition, one unpaid 30-minute meal period shall continue to be provided at approximately mid-shift. When an employee is working overtime, a meal and/or break will continue to be provided as required by law. Ms. Villagomez advises that Federal law requires that employees work no more than five hours of overtime without a rest period. Federal law does not specify the length of the break, according to Ms. Villagomez.

Safety
The City will continue to supply all safety shoes and safety equipment.

Item 8, File 00-1855

In 1997 the Board of Supervisors approved an MOU with the Pile Drivers, Divers, Carpenters, Bridge, Wharf & Dock Builders, Local No. 34, for the four-year period from July 1, 1997 through June 31, 2001. The MOU with Local No. 34 covers the following two classifications, comprising a total of 15 FTEs: 9330 Pile Worker and 9332 Piledriver Supervisor.

The subject ordinance would approve Amendment No. 1 to the subject MOU with Local No. 34. According to Ms. Villagomez, Amendment No. 1 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Crew Size
To promote safe working conditions, when either of the pile driving water rigs currently in service are driving or pulling pile, the rig shall include one 9332 Pile Driver Supervisor I and five 9330 Pile Workers.

Job Site Parking
For Pile Drivers who work at the Port, as long as the Port's Maintenance Division is located at Pier 50, Pile Drivers will have access to parking at either Pier 50 or Pier 90. Pile Drivers will also have access to parking at other job sites, to the extent that such parking is made available. When parking is not available at other job sites, the Port will provide transportation for Pile Drivers from either Pier 50 or Pier 90 to the job site. According to Ms. Villagomez, this parking is available for employees in the Port's Maintenance Division to the extent that a location is available on Port property, on a first come first serve basis, with no reserved spaces. Ms. Villagomez advises that the cost of transporting these employees to job sites away from Piers 50 and 90, when necessary, would be included in the Port's budget.

Clean-up Time
Adequate time for an employee to clean-up within an employee's shift will continue to be provided on an as-need basis.

Breaks
Employees will continue to receive two paid 15-minute break periods each shift, once approximately two hours after the start of the shift and the other approximately two hours before the end of the shift.

Diving Gear
The City shall provide all diving gear deemed necessary to the performance of job assignments that require diving.

Item 9, File 00-1856

In 1997 the Board of Supervisors approved an MOU with the United Union of Roofers, Waterproofers and Allied Workers, Local No. 40, for the four-year period from July 1, 1997 through June 30, 2001. The MOU with Local No. 40 covers the following classifications, comprising a total of 11 FTEs: 9343 Roofer and 9344 Roofer Supervisor I.

The subject ordinance would approve Amendment No. 1 to the subject MOU with Local No. 40. According to Ms. Villagomez, Amendment No. 1 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Job Site Parking
For covered who work at the Port, as long as the Port's Maintenance Division is located at Pier 50, employees will have access to parking at either Pier 50 or Pier 90. Employees will also have access to parking at other job sites, to the extent that such parking is made available. When parking is not available at other job sites, the Port will provide transportation for employees from either Pier 50 or Pier 90 to the job site. According to Ms. Villagomez, this parking is available for employees in the Port's Maintenance Division to the extent that a location is available on Port property, on a first come first serve basis, with no reserved spaces. Ms. Villagomez advises

that the cost of transporting these employees to job sites away from Piers 50 and 90, when necessary, would be included in the Port's budget (see Comment No. 3).

Travel Time
The proposed amendment would continue to pay employees for their travel time to and from any job outside of the City. According to Ms. Villagomez, this travel time is included as part of an employee's regular work shift. The employees report to work, take necessary equipment and vehicles and travel to the work site as assigned.

Work Clothes
The City shall continue to supply protective work clothes to covered employees.

Tools
The City shall continue to provide all hand tools for employees covered under the subject MOU.

Item 10, File 00-1857

In 1997 the Board of Supervisors approved an MOU with the Glaziers, Local No. 718, for the four-year period from July 1, 1997 through June 30, 2001. The MOU with the Glaziers, Local No. 718, covers the following two classifications, comprising a total of 8 FTEs: 7326 Glazier and 7233 Glazier Supervisor I.

The subject ordinance would approve Amendment No. 2 to the subject MOU with Local No. 718. According to Ms. Villagomez, Amendment No. 2 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Overtime
Overtime will continue to be assigned on a rotation basis to employees who wish to work overtime shifts. Ms. Villagomez advises that this practice is intended to ensure that overtime is assigned equitably.

Vacation Sign-ups
Vacation sign-ups as currently practiced shall continue. According to Ms. Villagomez, employees currently request vacation leave in advance from their supervisor.

Specialty Tools
The City will continue to provide specialty tools to covered employees.

City Vehicles
The City will continue the practice of allowing employees who are assigned City vehicles to take the vehicles home with them. According to Ms. Villagomez, supervisors may authorize employees to take a vehicle home with them so that the employee may report directly to a job site the following day.

Item 11, File 00-1858

In 1997 the Board of Supervisors approved an MOU with the Supervising Probation Officers, Local No. 3, for the four-year period from July 1, 1997 through June 30, 2001. The MOU with the Supervising Probation Officers, Local No. 3, covers the following three classifications, comprising a total of 23 FTEs: 8414 Supervising Probation Officer, 8415 Senior Supervising Probation Officer, 8434 Supervising Adult Probation Officer.

The subject ordinance would approve Amendment No. 1 to the subject MOU with Local No. 3. According to Ms. Villagomez, Amendment No. 1 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Flex Week Scheduling
For Supervising Probation Officers who work in the Department of Adult Probation, flex week scheduling will continue according to the written Flex Time Schedule policy currently in effect at the Adult Probation Department. According to Ms. Villagomez, this written policy requires the completion of a 40-hour work week, but allows employees to redistribute their work hours

within the limits set and authorized by management, in a way that is consistent with their job requirements.

For Supervising Probation Officers who work in the Department of Juvenile Probation, flex week scheduling will continue as defined in the existing subject MOU, which states that employees are entitled to flex week scheduling as authorized by the Juvenile Probation Department.

Comments:

1. As noted above, the intent of the five proposed amendments is to enumerate and codify existing practices by appending them to their respective MOUs. According to Ms. Villagomez and as stated in the Attachment, the five unions addressed in this report identified existing practices affecting bargaining unit members that were not included in their respective MOUs, and HRD researched and verified such existing practices. The City entered into tentative agreements with the respective unions regarding some of the existing practices and submitted one disputed practice to arbitration (see Comment No. 2). Ms. Villagomez advises that the subject amendments are part of the City effort to update all of its collective bargaining agreements to identify and include existing practices within the already approved MOUs. Ms. Villagomez states that all existing practices included in the proposed amendments were in existence at least since July 1, 1996, or one year before the current MOUs went into effect on July 1, 1997. Ms. Villagomez advises that Article V.C. in each of the five subject MOUs provides for the proposed subject inclusion of past practices and defines the criteria for selecting past practices.

2. According to Ms. Villagomez and as stated in the Attachment, of the five subject MOUs there was one item that was advanced to arbitration because the City disagreed with the bargaining unit's representations on a specific matter. The Glaziers, Local No. 718, submitted to arbitration a provision that would have set the work-week as Monday through Friday, which the City did not agree with. Ms. Villagomez advises that the arbitrator ruled in the City's favor and stated that a Monday through Friday work-week contradicted provisions of the existing MOU between the City and the Glaziers, Local No. 718, which

already defined the work week as five consecutive days within a seven day period.

3. For Item 9, File 00-1856, a clerical correction is required in the proposed amendment to the existing MOU between the City and the United Union of Roofers, Waterproofers and Allied Workers, Local No. 40. The amendment incorrectly states that parking will be provided to *Pile Drivers* working at the Port. The provision should be amended to replace *Pile Drivers* with *Roofers*. In response the Budget Analyst's inquires, Ms. Villagomez has submitted a substitute ordnance to the Clerk of the Board of Supervisors correcting this error.

4. According to Ms. Pamela Levin of the Controller's Office, based on HRD's determination that the items covered by the five proposed amendments to existing MOUs are past practices, there would be no *additional* cost as a result of these MOU amendments. As stated previously, according to Ms. Villagomez, all of the practices outlined in the proposed amendments have been in effect since at least July 1, 1996 and related expenditures, if any, are funded in the appropriate departmental budgets.

Recommendation: Approve the five proposed ordinances.

City and County of San Francisco

Department of Human Resourc

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

October 25, 2000

TO: Harvey Rose
Budget Analyst, Board of Supervisors

FROM: Alice Villagomez
Deputy Director, Employee Relations Division

RE: Amendments to various MOUs enumerating past practices

These amendments codify long standing past practices funded by existing departmental budgetary allocations. As such, they do not result in any additional funding.

Twenty-two collective bargaining agreements negotiated for the period of July 1,1997 through June 30, 2001 call for the identification and enumeration of past practices to be appended to the master agreement.

The following language is the referenced provision identical in all of the affected agreements:

PAST PRACTICE

The parties to this Agreement shall meet for the purpose of enumerating all past practices. The parties shall also meet to identify the current Civil Service Rules that are arbitrable. For the purposes of this section, a "past practice" shall mean either (i) an agreement between the City and the Union that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement, or (ii) a known and well-established course of conduct that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement.

1. Any disputes regarding whether a past practice exists shall be submitted to binding arbitration no later than January 1, 1998, except that this date may be extended for up to an additional three months if requested by either party. The parties shall mutually agree to an arbitrator, pursuant to the provisions of this Agreement. The arbitrator's sole authority shall be to determine whether a past practice exists, as defined in this section. The arbitrator's decision shall be final and binding upon the parties, as provided in Charter Section A8.409.

2. All past practices agreed by the parties to be included in the Agreement shall be appended to the Agreement and approved pursuant to the provisions of Charter Section A8.409, including submission for approval by the Board of Supervisors. All past practices to be included in the Agreement by award shall be

appended to the Agreement, subject to implementation pursuant to Charter Section A8.409. Thereafter, all alleged violations of appended past practices will be subject to the grievance and arbitration procedure of the Agreement.

There shall be no change or modification of any past practice or other understanding between the parties (except for those matters governed by the Civil Service Rules excluded from arbitration) until the parties reach final agreement on the inclusion of past practices into the agreement or until the arbitration award is issued pursuant to the provisions herein whichever is later. Thereafter, the parties agree that all past practices and other understandings between the parties not expressly memorialized and incorporated into this Agreement shall no longer be enforceable.

The City and the unions began the process of the identification, research, verification, confirmation and drafting of submitted lists of practices in August of 1997. Seventeen of the twenty- two unions submitted lists of practices by January 1998. The three month extension provided under the past practices provisions was activated and the period was extended to April 1, 1998.

The process to research, verify and determine which of the practices advanced by the unions met the criteria and definition of the past practices provision was lengthy in so far that each practice had to be verified with all affected City departments and or when a practice only had been identified for one City department such practice was then confirmed and then codified for that one department.

This is the first set of amendments for the seven subject MOUs that reflect the completion of the process. Of the seven subject MOUs, there was one item relating to work day/ work week which was advanced to arbitration by the Glaziers. The Arbitrator ruled in favor of the City's position and as such the practice in dispute is not contained in the list of submissions under amendment # 1 to the MOU between the City and Glaziers Union Local No.718.

The Employee Relations Division is continuing in finalizing the amendments for other subject MOUs for which practices were either advanced to arbitration and or required further clarification and revision.

The process has been a very lengthy one since it involved all affected city departments and in some cases specific work sites for each list of practices identified by a union for the numerous subject MOUs.

The enumeration and codification of working condition practices will be formalized as terms and conditions of employment appropriately appended to the respective collective bargaining agreements with the ratification of these amendments.

Item 12 - File 00-1859

Department: Human Resources Department (HRD)

Item: Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between Automotive Machinists, Local 1414, and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding.

Description: The proposed ordinance would amend the existing Memorandum of Understanding (MOU) with the Automotive Machinists, Local 1414. The proposed amendment codifies existing practices and will not result in additional costs to the City, as reported by Ms. Alice Villagomez of HRD in Attachment I (see Comment No. 1).

In 1997 the Board of Supervisors approved an MOU with the Automotive Machinists, Local 1414, for the four-year period from July 1, 1997 through June 30, 2001. The MOU with the Automotive Machinists, Local 1414, covers 25 classifications, as shown in Attachment II, comprising a total of 420 full time equivalent (FTE) positions.

The proposed ordinance would approve Amendment No. 2 to the subject MOU with the Automotive Machinists, Local 1414. Ms. Villagomez states that Amendment No. 2 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Meal, Clean-up, and Break Periods for Covered Employees:
Covered employees working for City departments other than Hetch-Hetchy would receive (a) a 30-minute unpaid meal period per shift, (b) a 10-minute clean-up period prior to the meal period and a 10-minute clean-up period prior to the end of the shift, and (c) a 15-minute break period approximately mid-morning and a 15-minute break period two hours after lunch or approximately at the sixth hour of the shift.

Meal, Clean-up, and Break Periods for Covered Employees Employed by Hetch-Hetchy:
Covered employees who work at Hetch-Hetchy would receive (a) a 30-minute unpaid lunch period per eight-hour shift, scheduled four hours after the start of the shift or within a five-hour period if deemed appropriate by the General Foreman, and (b) a 15-minute break period after two hours and after six hours subsequent to the start of the shift.

Covered Hetch-Hetchy employees assigned to an emergency road crew would receive (a) a 30-minute unpaid lunch break scheduled during the shift, and (b) a 15-minute break period after two hours and after six hours subsequent to the start of the shift. If the lunch break is interrupted by an emergency call, the lunch break may be resumed after the emergency call is completed. However, if the lunch break cannot be resumed, the covered employee would be compensated at time and one-half if the employee works for more than eight hours in the shift. If the break period is interrupted by an emergency call, the covered employee shall take the break as soon as the emergency call is completed. If the interrupted break occurs one-half hour before the lunch break, then the covered employee may combine the 15-minute break with the 30-minute lunch period. Covered employees are required to take their 15-minute break periods within the vicinity of the work area and their 30-minute lunch period in an area that allows for contact time of 5 minutes or less for a trouble call.

General Conditions for Covered Employees:
The City would provide (a) assigned parking at work locations where it is currently provided and as available, (b) existing locker room, showers, and break or lunchroom facilities, (c) bottled water at all fixed locations, (d) vending machines and coffee truck services which are currently available, subject to maintaining a vendor for these services, and (e) specialty or custom tools required by the City to perform the work. Additionally, the City would pay for the repair or replacement of required tools that are owned by the covered employee. Ms. Villagomez states that covered employees would have access to

available parking on City property but would not be guaranteed a parking space.

Conditions Specific to the Department of Public Transportation (Muni):
The proposed Amendment contains provisions for assigning overtime work and vacation schedules that, according to Ms. Villagomez, are long-standing practices within the department. Additionally, the proposed Amendment contains provisions that clarify Muni's procedures for shift assignments and displacement of employees.

Overtime Wheel Guidelines: The proposed Amendment codifies Muni's practice of using an "overtime wheel", which is a list of covered employees by classification and seniority, for the Motor Coach Division to insure that each employee is offered an equal share of overtime by classification. One overtime wheel would be used to award overtime work by classification. A separate wheel would be used for awarding overtime work on holidays by classification. Muni management would determine the amount of overtime that is available based on operating needs. Overtime is offered in 8-hour increments. If an employee is offered less than 8 hours of overtime, they will maintain their position on the overtime wheel until they have received 8 hours of overtime. The overtime wheel guidelines state that an employee who accepts an overtime assignment but is not able to work the overtime is required to report his or her unavailability prior to the start of the overtime shift. An employee who agrees to work overtime but fails to report to work would be subject to disciplinary action. Additionally, a supervisor who fails to adhere to the overtime guidelines would be subject to disciplinary action. In an emergency, supervisors may call in employees based on their ability to respond quickly to the call for overtime rather than on the basis of the overtime wheel. The supervisor calling in the employee on an emergency basis must submit to the General Superintendent of the Motor Coach Division written justification for not adhering to the overtime list.

Vacation Bid Procedures: The proposed Amendment codifies Muni's practice regarding bidding for scheduled

vacation time. Such bidding for vacation time is subject to approval by Muni management. The order of bidding on vacations is established by seniority within classification. The vacation sign-up period is from December 1 through December 31 of each year for vacations scheduled from February 1 through January 31 of the following year. The covered employee can bid for use of all vacation hours accrued as of December 31. If the covered employee cancels his or her scheduled vacation or exercises his or her right to change shifts or location by moving into a vacant position or by displacing a less senior employee, he or she loses the vacation schedule that he or she bid on and must schedule vacation time from remaining available time on a first-come first-serve basis.

Shift Assignments and Displacement Procedure Clarification: The proposed Amendment clarifies Muni's existing practice regarding shift assignments and displacement procedure for covered employees. If Muni management changes a covered employee's shift or scheduled days off, management must provide one-week's written notice to the affected employee. Changes made by management in shift assignment, scheduled days off, or work location are made based on the employee's qualifications and seniority in a permanent or temporary position. If an employee's shift, scheduled days off, or work location are changed by Muni management, that employee may displace a less senior employee in order to obtain a preferred shift, schedule of days off, or work location.

A covered employee may displace a less senior employee to obtain a preferred shift, schedule of days off, or work location by giving at least two weeks notice to Muni management. The employee who is displaced would assume the shift, scheduled days off, or work location of the more senior employee who is displacing the less senior employee. Once a covered employee exercises his or her right to displace a less senior employee, he or she cannot be displaced and cannot displace another employee for six months. Under the proposed Amendment, if the displacement procedure results in the employee working more than his or her normally scheduled hours in the pay period, he or she will not receive overtime pay.

The proposed language requires Muni management to post vacant positions for a 2-week period, although management may fill the position temporarily, pending the selection of a permanent employee. Vacant positions are awarded based on the seniority of the covered employee. If no one applies to fill a vacant position, management may assign the least senior qualified employee to work the schedule or work location of the vacant position.

Comments:

1. As noted above, the intent of the proposed amendment is to enumerate and codify existing practices by appending the amendment to the MOU. According to Ms. Villagomez, Local 1414 identified existing practices affecting bargaining unit members that were not included in this MOU, and HRD researched and verified such existing practices. The City entered into a tentative agreement with Local 1414 regarding the existing practices. Ms. Villagomez advises that the subject amendment is part of the City effort to update all of its collective bargaining agreements to identify and include existing practices within the applicable MOU. Ms. Villagomez states that all existing practices included in the proposed amendment were in existence at least since July 1, 1996, or one year before the current MOU went into effect on July 1, 1997. Ms. Villagomez advises that Article V.C. of the previously approved MOU provides for the proposed subject inclusion of past practices and defines the criteria for selecting past practices.

2. According to Ms. Pamela Levin of the Controller's Office, based on the HRD's determination that the items covered by the proposed amendment to the existing MOU are past practices, there would be no additional cost as a result of this MOU amendment. As stated previously, according to Ms. Villagomez, all of the practices outlined in the proposed amendment have been in effect since at least July 1, 1996 and related expenditures, if any, are included in the applicable department budgets.

Recommendation: Approve the proposed ordinance.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

City and County of San Francisco

Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

October 25, 2000

TO: Harvey Rose
Budget Analyst, Board of Supervisors

FROM: Alice Villagomez
Deputy Director, Employee Relations Division

RE: Amendments to various MOUs enumerating past practices

These amendments codify long standing past practices funded by existing departmental budgetary allocations. As such, they do not result in any additional funding.

Twenty-two collective bargaining agreements negotiated for the period of July 1,1997 through June 30, 2001 call for the identification and enumeration of past practices to be appended to the master agreement.

The following language is the referenced provision identical in all of the affected agreements:

PAST PRACTICE

The parties to this Agreement shall meet for the purpose of enumerating all past practices. The parties shall also meet to identify the current Civil Service Rules that are arbitrable. For the purposes of this section, a "past practice" shall mean either (i) an agreement between the City and the Union that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement, or (ii) a known and well-established course of conduct that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement.

1. Any disputes regarding whether a past practice exists shall be submitted to binding arbitration no later than January 1, 1998, except that this date may be extended for up to an additional three months if requested by either party. The parties shall mutually agree to an arbitrator, pursuant to the provisions of this Agreement. The arbitrator's sole authority shall be to determine whether a past practice exists, as defined in this section. The arbitrator's decision shall be final and binding upon the parties, as provided in Charter Section A8.409.

2. All past practices agreed by the parties to be included in the Agreement shall be appended to the Agreement and approved pursuant to the provisions of Charter Section A8.409, including submission for approval by the Board of Supervisors. All past practices to be included in the Agreement by award shall be

appended to the Agreement, subject to implementation pursuant to Charter Section A8.409. Thereafter, all alleged violations of appended past practices will be subject to the grievance and arbitration procedure of the Agreement.

There shall be no change or modification of any past practice or other understanding between the parties (except for those matters governed by the Civil Service Rules excluded from arbitration) until the parties reach final agreement on the inclusion of past practices into the agreement or until the arbitration award is issued pursuant to the provisions herein whichever is later. Thereafter, the parties agree that all past practices and other understandings between the parties not expressly memorialized and incorporated into this Agreement shall no longer be enforceable.

The City and the unions began the process of the identification, research, verification, confirmation and drafting of submitted lists of practices in August of 1997. Seventeen of the twenty- two unions submitted lists of practices by January 1998. The three month extension provided under the past practices provisions was activated and the period was extended to April 1, 1998.

The process to research, verify and determine which of the practices advanced by the unions met the criteria and definition of the past practices provision was lengthy in so far that each practice had to be verified with all affected City departments and or when a practice only had been identified for one City department such practice was then confirmed and then codified for that one department.

This is the first set of amendments for the seven subject MOUs that reflect the completion of the process. Of the seven subject MOUs, there was one item relating to work day/ work week which was advanced to arbitration by the Glaziers. The Arbitrator ruled in favor of the City's position and as such the practice in dispute is not contained in the list of submissions under amendment # 1 to the MOU between the City and Glaziers Union Local No.718.

The Employee Relations Division is continuing in finalizing the amendments for other subject MOUs for which practices were either advanced to arbitration and or required further clarification and revision.

The process has been a very lengthy one since it involved all affected city departments and in some cases specific work sites for each list of practices identified by a union for the numerous subject MOUs.

The enumeration and codification of working condition practices will be formalized as terms and conditions of employment appropriately appended to the respective collective bargaining agreements with the ratification of these amendments.

Employee Group Jobcode Listing

130 Auto Machinists, Lodge 1414

Job code	Title	Bargaining Unit	Bargaining Sub Unit
7126	Mech Shop & Equip Supt	03	A
7225	Transit Paint Shop Sprv1	01	D
7228	Automotive Trnst Shop Sprv 1	01	D
7232	HH Mechanical Shop Sprv	01	D
7241	Senior Maintenance Controller	01	D
7249	Automotive Mechanic Sprv 1	01	D
7254	Automotive Machinist Sprv 1	01	D
7258	Maintenance Machinist Sprv 1	01	K
7264	Auto Body & Fender Wrk Sprv 1	01	D
7277	City Shops Asst Superintendent	03	A
7305	Metal Fabricator	01	D
7306	Automotive Body & Fender Wrk	01	D
7309	Car and Auto Painter	01	D
7313	Automotive Machinist	01	D
7315	Auto Machinist Asst Sprv	01	D
7322	Auto Body&Fender Wrk Asst Sprv	01	D
7325	General Utility Mechanic	01	D
7330	Sr General Utility Mechanic	01	D
7332	Maintenance Machinist	01	K
7337	Main Machinist Asst Sprv	01	K
7340	Maintenance Controller	01	D
7381	Automotive Mechanic	01	D
7382	Automotive Mechanic Asst Sprv	01	D
7387	Upholsterer	01	D
7434	Maintenance Machinist Helper	01	K

Item 13 - File 00-1860

Department: Human Resources Department

Item: Ordinance implementing Amendment No. 3 to the 1997-2001 Memorandum of Understanding between the Laborers, Local Union No. 261, and the City and County of San Francisco by appending the following list of past practices pursuant to Article V.C. of the Memorandum of Understanding.

Description: The proposed ordinance would amend the existing Memorandum of Understanding (MOU) with the Laborers, Local Union No. 261. The proposed Amendment codifies existing practices and will not result in additional costs to the City, as reported by Ms. Alice Villagomez of HRD in Attachment I (see Comment No. 1).

In 1997 the Board of Supervisors approved an MOU with the Laborers, Local 261, for the four-year period from July 1, 1997 through June 30, 2001. The MOU with the Laborers, Local 261, covers 22 classifications, as shown in Attachment II, comprising a total of 934 full-time equivalent (FTE) positions.

The proposed ordinance would approve Amendment No. 3 to the subject MOU with Laborers, Local 261. Ms. Villagomez states that Amendment No. 3 contains the following existing practices not specifically stated in the current MOU as previously approved by the Board of Supervisors.

Call-Back Pay:
Covered employees who are called back to work after they have departed from the work site at the end of their shift would receive a minimum of four hours of pay at the applicable rate of pay, including overtime and premium pay. Employees who are on stand-by or who work at remote locations where City housing is supplied would not be covered by this call-back provision.

General Working Conditions:
(a) Management must approve voluntary early start times,

(b) management shall offer overtime on a rotating basis,
(c) the City would provide parking at no cost to the covered employee, if such parking is available,
(d) the City would supply the covered employee tools which are necessary for the performance of the job,
(e) management would conduct safety meetings in accordance with the California Occupational Safety and Health Administration (CAL-OSHA) requirements,
(f) the City would grant time-off to the covered employee for the renewal of required special licenses, such as licenses for spraying weed killers and pesticides, except for driver's licenses,
(g) each work site, division, bureau, or section would establish a vacation sign-up procedure and vacation schedules based on seniority at the individual work site,
(h) the City would not require covered employees to wear uniforms unless such employees are currently required to do so,
(i) management would provide personal clean up time before meal breaks, at the end of the work day, and for gardeners after spraying for pests,
(j) the City would continue to provide lockers as available,
(k) the City would allow covered employees to take City vehicles home when assigned by their supervisor, and
(l) management would notify the Union regarding any proposed disciplinary action upon the affected employee's request.

According to Ms. Villagomez, covered employees would have access to available parking on City property but would not be guaranteed a parking space. Ms. Villagomez also advises that the departments may assign covered employees to take City vehicles home because there is no space on department property to house the vehicle overnight or because the employee will be going directly to a job site when reporting to work the next day.

Staffing Provisions:
The City has agreed to maintain the staffing levels for Class 7514 Laborer and Class 3417 Gardener that existed when the City established the position of Class 7501

Environmental Service Worker. Ms. Villagomez states that the City established the Class 7501 Environmental Service Worker in 1998 to function as a helper position to gardeners and laborers. According to Ms. Villagomez, at the time that Class 7501 was established, the City and Union agreed that the 7501 positions were not intended to be for the purpose of reducing the number of laborers and gardeners.

Additionally, the proposed Amendment contains guidelines for the City's volunteer and alternative work programs impacting bargaining unit work that are also consistent with past practices. Such guidelines include that (a) volunteers and participants in alternative work programs will only perform ancillary bargaining unit work, (b) the City will only continue to assign bargaining unit work to volunteer and alternative work programs with the Union's concurrence and will meet and confer with the Union prior to implementing new volunteer and alternative work programs that impact the bargaining unit, (c) the City will assign bargaining unit members to direct the work of volunteers and alternative work program participants as appropriate, (d) management will not allow volunteers and alternative work program participants to use power tools, and (e) the City will displace volunteers and alternative work program participants prior to laying off laborers and gardeners. Ms. Villagomez states that the City has been operating under a verbal understanding with the union regarding types of duties performed by volunteers and participants in alternative work programs that would otherwise be performed by bargaining unit members.

Provisions Applying to the Public Utilities Commission: The Public Utilities Commission (PUC) would provide (a) housing at Moccasin Powerhouse, which is located near Yosemite National Park, for covered employees who are working at PUC facilities, in accordance with established policies and rates established in the Annual Salary Ordinance, (b) transportation for covered employees who are assigned on a short-term basis to a different work location, and (c) meals and lodging to covered employees who are assigned to work out of the Early Intake

bunkhouse, which is located at the Hetch-Hetchy Reservoir, when the bunkhouse is open.

Provisions Applying to the Recreation and Park Department:
The Recreation and Park Department (RPD) would continue the current bid system for gardeners. Under the current system, once each year in November gardeners are able to bid on positions within RPD which became vacant during the prior year and are awarded such positions based on seniority. Additionally, the RPD would provide sign-up sheets for gardeners to work at Camp Mather, which is the City family camp located near Yosemite National Park. RPD will pay travel time for covered employees working at Camp Mather, and room and board while working at Camp Mather will be provided in accordance with the Administrative Provision of the Annual Salary Ordinance.

The proposed amendment states that overtime at Camp Mather will be awarded in accordance with existing Camp Mather rules, which include (a) establishing sign-up sheets in March of each year, (b) selecting gardeners based on departmental seniority, (c) approval by the departmental supervisor, and (d) assigning gardeners for 2 week sessions in the months of May and September for twelve 8-hour days, including weekend work, which will be paid in accordance with the subject MOU. According to Ms. Villagomez, gardeners who are assigned to Camp Mather are paid at their regular hourly rate for weekday work and are paid at time and one-half for weekend work, in accordance with the subject MOU.

Comments:

1. As noted above, the intent of the proposed amendment is to enumerate and codify existing practices by appending the amendment to the MOU. According to Ms. Villagomez, Local 261 identified existing practices affecting bargaining unit members that were not included in this MOU, and HRD researched and verified such existing practices. The City entered into a tentative agreement with Local 261 regarding the existing practices. Ms. Villagomez advises that the subject amendment is part of the City effort to update all of its collective bargaining agreements to identify and include

existing practices within the applicable MOU. Ms. Villagomez states that all existing practices included in the proposed amendment were in existence at least since July 1, 1996, or one year before the current MOU went into effect on July 1, 1997. Ms. Villagomez advises that Article V.C. of the previously approved MOU provides for the proposed subject inclusion of past practices and defines the criteria for selecting past practices.

2. According to Ms. Pamela Levin of the Controller's Office, based on the HRD's determination that the items covered by the proposed amendment to the existing MOU are past practices, there would be no additional costs to the City as a result of this MOU amendment. As stated previously, according to Ms. Villagomez, all of the practices outlined in the proposed amendment have been in effect since at least July 1, 1996 and related expenditures, if any, are included in the applicable department budgets.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

October 25, 2000

TO: Harvey Rose
Budget Analyst, Board of Supervisors

FROM: Alice Villagomez
Deputy Director, Employee Relations Division

RE: Amendments to various MOUs enumerating past practices

These amendments codify long standing past practices funded by existing departmental budgetary allocations. As such, they do not result in any additional funding.

Twenty-two collective bargaining agreements negotiated for the period of July 1,1997 through June 30, 2001 call for the identification and enumeration of past practices to be appended to the master agreement.

The following language is the referenced provision identical in all of the affected agreements:

PAST PRACTICE

The parties to this Agreement shall meet for the purpose of enumerating all past practices. The parties shall also meet to identify the current Civil Service Rules that are arbitrable. For the purposes of this section, a "past practice" shall mean either (i) an agreement between the City and the Union that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement, or (ii) a known and well-established course of conduct that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement.

1. Any disputes regarding whether a past practice exists shall be submitted to binding arbitration no later than January 1, 1998, except that this date may be extended for up to an additional three months if requested by either party. The parties shall mutually agree to an arbitrator, pursuant to the provisions of this Agreement. The arbitrator's sole authority shall be to determine whether a past practice exists, as defined in this section. The arbitrator's decision shall be final and binding upon the parties, as provided in Charter Section A8.409.

2. All past practices agreed by the parties to be included in the Agreement shall be appended to the Agreement and approved pursuant to the provisions of Charter Section A8.409, including submission for approval by the Board of Supervisors. All past practices to be included in the Agreement by award shall be

appended to the Agreement, subject to implementation pursuant to Charter Section A8.409. Thereafter, all alleged violations of appended past practices will be subject to the grievance and arbitration procedure of the Agreement.

There shall be no change or modification of any past practice or other understanding between the parties (except for those matters governed by the Civil Service Rules excluded from arbitration) until the parties reach final agreement on the inclusion of past practices into the agreement or until the arbitration award is issued pursuant to the provisions herein whichever is later. Thereafter, the parties agree that all past practices and other understandings between the parties not expressly memorialized and incorporated into this Agreement shall no longer be enforceable.

The City and the unions began the process of the identification, research, verification, confirmation and drafting of submitted lists of practices in August of 1997. Seventeen of the twenty- two unions submitted lists of practices by January 1998. The three month extension provided under the past practices provisions was activated and the period was extended to April 1, 1998.

The process to research, verify and determine which of the practices advanced by the unions met the criteria and definition of the past practices provision was lengthy in so far that each practice had to be verified with all affected City departments and or when a practice only had been identified for one City department such practice was then confirmed and then codified for that one department.

This is the first set of amendments for the seven subject MOUs that reflect the completion of the process. Of the seven subject MOUs, there was one item relating to work day/ work week which was advanced to arbitration by the Glaziers. The Arbitrator ruled in favor of the City's position and as such the practice in dispute is not contained in the list of submissions under amendment # 1 to the MOU between the City and Glaziers Union Local No.718.

The Employee Relations Division is continuing in finalizing the amendments for other subject MOUs for which practices were either advanced to arbitration and or required further clarification and revision.

The process has been a very lengthy one since it involved all affected city departments and in some cases specific work sites for each list of practices identified by a union for the numerous subject MOUs.

The enumeration and codification of working condition practices will be formalized as terms and conditions of employment appropriately appended to the respective collective bargaining agreements with the ratification of these amendments.

Employee Group Jobcode Listing

261 Laborers Int. Local 261

Job code	Title	Bargaining Unit	Bargaining Sub Unit
3402	Farmer	01	N
3417	Gardener	01	N
3418	Gardener Assistant Supervisor	01	N
3419	Municipal Stadium Groundskpr	01	N
3422	Park Section Supervisor	01	N
3424	Pest Control Specialist	01	N
3428	Nursery Specialist	01	N
3430	Chief Nursery Specialist	01	N
3434	Tree Topper	01	N
3435	Arborist Technician	01	N
3436	Tree Topper Supervisor 1	01	N
7215	General Laborer Supervisor 1	01	N
7220	Asphalt Finisher Supervisor 1	01	N
7246	Sewer Repair Supervisor	01	N
7281	Street Environ Svcs Oprs Supv	01	N
7404	Asphalt Finisher	01	N
7421	Sewer Maintenance Worker	01	N
7458	Switch Repairer	01	N
7501	Environmental Service Worker	01	N
7502	Asphalt Worker	01	N
7514	General Laborer	01	N
7540	Track Maintenance Worker	01	N

Item 14 – File 99-0091

Note: This item was re-referred by the Board of Supervisors to the Finance and Labor Committee on March 8, 1999. According to the Office of the Sponsor of the proposed ordinance, the ordinance is unchanged from the original version. Hence. this report is substantially the same as the report previously issued to the Finance and Labor Committee when the item was last heard at the March 3, 1999 meeting of the Committee.

Department: Department of Public Works (DPW)
Recreation and Park Department (RPD)

Item: Ordinance transferring jurisdiction over certain real property located at Drumm Street between Clay and Washington Streets, described generally as Assessor's Block 202, Lots 6, 14 and a portion of 15, excluding the subsurface rights thereof, and a portion of Assessor's Block 203, Lot 14, from the Department of Public Works to the Recreation and Park Commission; and providing that no building, improvement or structure may be constructed on the surfaces of such parcels and adjoining Assessor's Block 202, Lot 18.

Description: The proposed ordinance would transfer jurisdiction over certain real property from DPW to RPD excluding the subsurface rights to a portion of the property. According to Ms. Elizabeth Goldstein, General Manager of the RPD, approval of this ordinance would preserve the property for use as open space subject to the possible construction of an underground parking facility on this property. The construction of an underground parking facility would require separate approval by the Board of Supervisors.

On July 18, 1994, the City acquired from the State certain real property comprised of Assessor's Block 202, Lots 6, 14 and portion of 15, and a portion of Assessor's Block 203, Lot 14 (collectively, the "Property"). The Property is located immediately northwest of Justin Herman Plaza, between the Embarcadero to the west and Davis Street to the east, and between Washington Street to the north and Clay Street to the south, as shown on the attached map. The Property is currently held under the jurisdiction of the Department of Public Works. The Recreation and Park Commission has jurisdiction over adjoining property, Assessor's Block 202, Lot 18 (Lot 18). The

subject Property and the adjoining property are used as open space.

The proposed ordinance would subject the Property and the adjoining Lot 18 to the restriction that no building, improvement or structure may be constructed on the surfaces of the Property and Lot 18, provided that the following improvements would not be prohibited: (a) landscape improvements such as pedestrian pathways, gazebos, tables, benches lighting fixtures, trash receptacles, automatic public toilets, bicycle racks and drinking fountains, and (b) improvements necessary to the functioning of a potential underground parking facility if such improvements cannot be constructed underground.

Under the proposed ordinance, jurisdiction over portions of the Property's subsurface, specifically Assessor's Block 202, Lots 6, 14, and a portion of 15, is to be retained by DPW because on September 18, 1996, the Board of Supervisors preliminarily endorsed construction of an underground public parking facility with a capacity for up to 350 vehicles on this Property (File No. 47-96-8). This endorsement by the Board of Supervisors was subject to the condition that construction of an underground parking facility would not commence until the City executed a contract with a developer for a major renovation of the Ferry Building. In December of 1999, the Board of Supervisors approved a ground lease with Ferry Building Investors, LLC, for the rehabilitation of the Ferry Building.

On November 4, 1996, the Board of Supervisors approved the Final Environmental Impact Report for the Alternatives to Replacement of the Embarcadero Freeway and the Terminal Separator Structure, which set forth several surface traffic improvements, including the widening of Washington and Clay Streets between Davis and Drumm Streets, which would consist of certain improvements to a portion of Block 203, Lot 14 (File No. 271-96-3). The proposed ordinance states that to "widen Washington and Clay Streets, the property line for Assessor's block 203, Lot 14 would be shifted approximately 17.40 feet to the south on the Washington Street frontage and approximately 17.61 feet to the north

on the Clay Street frontage and two portions of Assessor's Block 203 (collectively the "Reserved Street Widening Parcels), will thereby be a part of the widened Washington and Clay Streets."

Ms. Mariam Morley of the City Attorney's Office states that these Reserved Street Widening Parcels do not consist of that portion of Block 203, Lot 14 included in the Property proposed to be transferred from the jurisdiction of DPW to the jurisdiction of RPD. However, this proposed ordinance states "In the event that Washington and Clay streets are not widened within five years after the effective date of this Ordinance, the Director of Property shall recommend to the Board of Supervisors that, subject to the California Environmental Quality Act and other applicable laws, the jurisdiction of the Reserved Street Widening Parcels be transferred to the Recreation and Park Commission" and that the property comprising the Reserved Street Widening Parcels be subjected to the same development limitations as the subject Property. Therefore, according to Ms. Morley, the Reserved Street Widening Parcels, as land adjoining the subject Property described above, may, in five years, serve as preserved open space in combination with the Property.

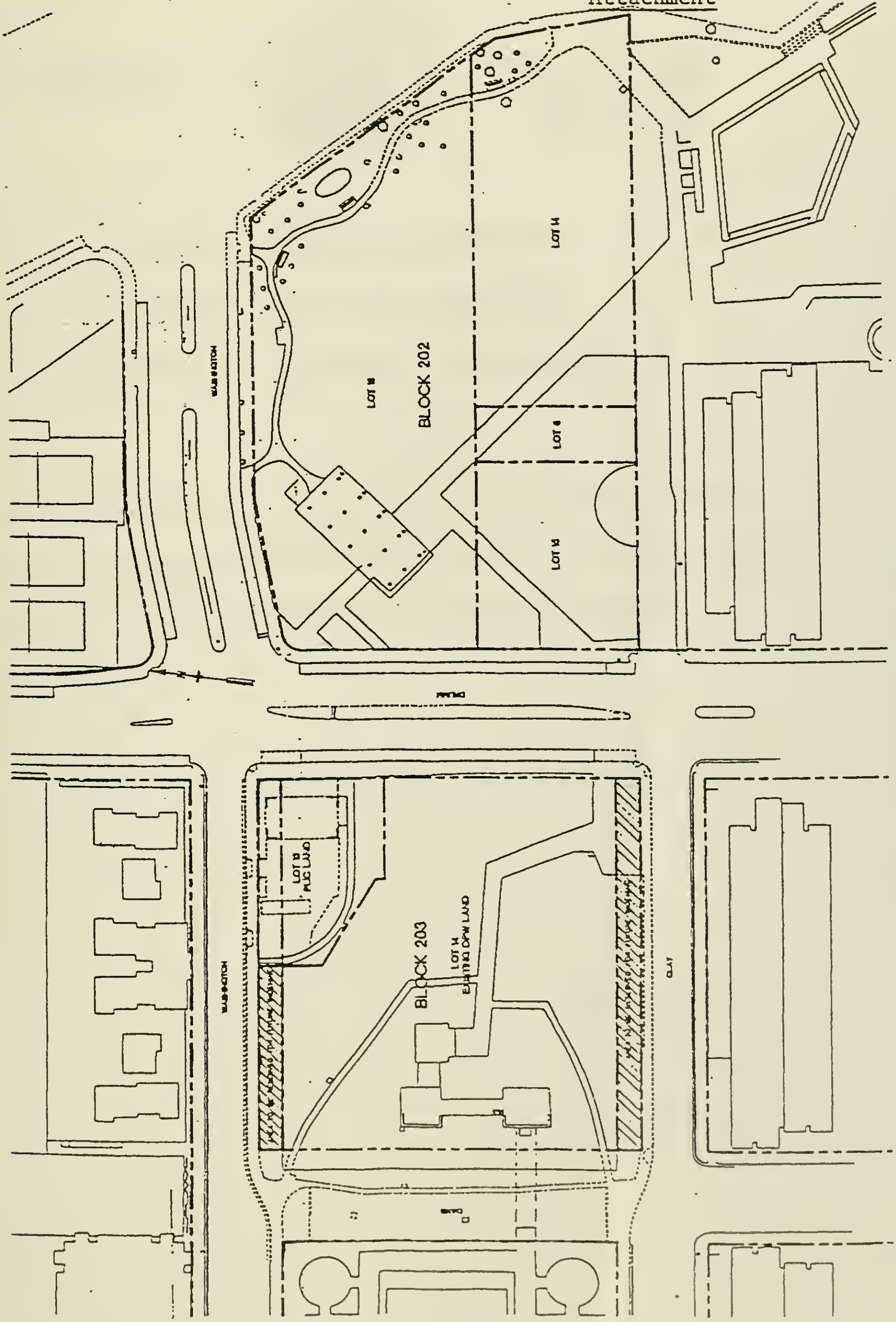
Comment: As previously noted, the Property is currently used as open space. Ms. Goldstein states that RPD already provides gardeners to maintain the Property, excluding the portion of Assessor's Block 203, Lot 14, which is maintained by DPW. Ms. Goldstein advises that RPD is not planning any immediate improvements to the property that would result in fiscal impact from the proposed jurisdictional transfer. However, Ms. Goldstein notes that, in the long term, RPD would have responsibility for the site, as with all other RPD property, and future capital expenditures may be requested for permissible park related improvements.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

Attachment



0.254

8/00
Cancelled

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETING

FINANCE AND LABOR COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Finance and Labor Committee scheduled for Wednesday, November 8, 2000 at 10:00 a.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, November 15, 2000 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:05 a.m.

REGULAR AGENDA

001715 **[This project will reduce odors and air pollution in the Bayview/Hunters Point Neighborhood from the discharge of raw digester gas into atmosphere]**

Resolution approving the design-build agreement for the Southeast Cogeneration Facility Contract, CS-520. (Public Utilities Commission)

(Fiscal impact.)

9/27/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

10/18/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; David Henzl, Hetch Hetchy, Water and Power; Supervisor Yee; Supervisor Ammiano; Marie Harrison; Espanola Jackson; Kevin Barry, Local 39. Continued to November 15, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Laurie Park, Acting General Manager, Hetch Hetchy; Supervisor Yee.

Amended to limit contract amount not to exceed $3,181,743 on page 1, line 3 and page 2, line 5; new title.

AMENDED.

Resolution approving the design-build agreement for the Southeast Cogeneration Facility Contract, CS-520, not to exceed $3,181,743. (Public Utilities Commission)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001801 **[Home Ownership Assistance Loan Fund - Extra Credit Teacher Home Purchase Program]**
Supervisor Becerril

Ordinance amending Section 10.117-76 of the Administrative Code to clarify nature of authorized loans and add additional source of funds.

10/16/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 11/15/2000. Thirty day rule waived, File 001844.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Laurie Pantell, Supervisor Becerril's Aide; Joe LaTorre, Mayor's Office of Housing; Supervisor Bierman; Maggie Davis, Mayor's Office of Housing.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001925 **[Government Funding, $250,000]**

Supervisors Leno, Bierman, Newsom, Ammiano, Katz

Ordinance appropriating $250,000 from the General Fund Reserve-Queer Youth Shelter to fund the housing program for the homeless lesbian, gay, bisexual, transgender, queer and questioning young adults, for the Department of Public Health for fiscal year 2000-2001.

(Fiscal impact.)

10/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Leno; Monique Zmuda, Department of Public Health; Supervisor Yee; Jeffrey Sherman, Episcopal Community Services; Tommi Avicolli Mecca, Housing Rights; Mitch Thompson, EVRC; Brian Cheu, LYRIC; Michael Cain, EVRC; Supervisor Ammiano.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001930 **[Lease, 2500 Market Street]**

Supervisors Leno, Bierman, Newsom, Ammiano, Katz

Resolution authorizing a lease of real property at 2500 Market Street on behalf of the Department of Public Health.

10/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Leno; Monique Zmuda, Department of Public Health; Supervisor Yee; Jeffrey Sherman, Episcopal Community Services; Tommi Avicolli Mecca, Housing Rights; Mitch Thompson, EVRC; Brian Cheu, LYRIC; Michael Cain, EVRC; Supervisor Ammiano.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001698 **[Lease of 242 acres of land located in Sunol, California (under the jurisdiction of PUC) to Mission Valley Rock Company for mining purposes]**

Resolution adopting findings pursuant to the California Environmental Quality Act; and authorizing the Public Utilities Commission to enter into a forty-year lease with Mission Valley Rock Company for mining certain real property located in Alameda County, California. (Public Utilities Commission)

Supervisor Ammiano dissenting in committee.

9/27/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 11/1/2000.

11/6/00, SUBSTITUTED. Supervisor Becerril submitted a substitute resolution bearing same title.

11/6/00, ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; John Mullane, General Manager, Public Utilities Commission; John Edgcomb, Environmental Attorney; John Miller; Bree James, Save Our Sunol (SOS); Patricia Stillman (SOS); John Darmanin; Jane Murphy; Bob Frillman; Gray Breckin, Professor, U.C. Berkeley; Derk Johnson; Laura Mirkarimi, Phd.; Supervisor Yee; Ted Lakey, Deputy City Attorney.
Supervisor Ammiano dissenting in committee.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Noes: 1 - Ammiano

001834 **[Proposals for the use of 242 acres of Public Utilities Commission land in Sunol]**

Supervisor Ammiano

Hearing to consider alternative proposals for 242 acres of Public Utilities Commission land on a portion of Parcel 65 located in Alameda County Lands, Sunol, and to compare other proposals with the proposed 40 year lease with Mission Valley Rock Company, with respect to the following: total revenue generated; ecological impact on the local ecosystem; community support and input; water storage; impact on restoration of Water Temple; and other issues.

10/16/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; John Miller; Patricia Stillman, Save Our Sunol (SOS); Bree James, SOS; Irv Tiessen; Gerry Boemiller, Trustee, Sunol Glen School; Diane Tiessen; John Edgcomb, Environmental Attorney; Robb Marshall; Derk Johnson; Gray Breckin, Professor, U.C. Berkeley; Dr. Paul Mirkarimi; Bob Frillman, SOS.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001863 **[Authorizing extension and renewal of license for the use of real property on behalf of the City, with Continental 155 5th Corporation (the property owner) and Wells Fargo Bank (the tenant)]**

Resolution authorizing an amendment to extend the term of an existing one-year license and hold harmless agreement for the excavation, shoring, underpinning and other construction activities ("Agreement") with Continental 155 5th Corporation ("Owner"), and the sole tenant in possession, Wells Fargo Bank, N.A. ("Wells Fargo") for an additional three years, to November 17, 2003, to provide the City the right to enter the real property at 155 5th Street as needed to complete construction of the Moscone Center Expansion Project ("Moscone West"), and authorizing a reciprocal agreement to provide Owner similar rights of access in relation to the Moscone West site should Owner require such access for future construction. (Real Estate Department)

10/25/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001876 **[Authorizing Issuance of Multifamily Housing Revenue Bonds, 8th and Howard Family Housing]**
Mayor

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds (as defined herein) in an aggregate principal amount not to exceed $11,750,000 for the purpose of providing financing for a multifamily rental housing project; authorizing the sale of bonds; approving the form of and authorizing the execution of an indenture providing the terms and conditions of the bonds; approving the form of and authorizing the execution of a bond purchase contract providing the terms and conditions for the sale of the bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of a loan agreement; approving the form of and authorizing the execution of an intercreditor agreement; approving the form of and authorizing the preparation and distribution of a preliminary official statement and the preparation and distribution of an official statement relating to the bonds; approving and authorizing the execution and delivery of any document necessary to implement this resolution; making low income housing findings; ratifying and approving any action heretofore taken in connection with the bonds and the project; and related matters.

10/23/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Sponsor requests this item be scheduled for consideration at the November 8, 2000 meeting.
The November 8, 2000 meeting was cancelled.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Joe LaTorre, Mayor's Office of Housing; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001894 **[Reserved Funds, Department of Public Health]**

Hearing to consider release of reserved funds, Department of Public Health-Community Health Network (Fiscal Year 2000-2001 Budget), in the amount of $1,098,463, to fund overtime expenditures of San Francisco General Hospital and Laguna Honda Hospital. (Public Health Department)

10/25/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard of Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Department of Public Health; Supervisor Ammiano; Supervisor Yee.
Release of reserved funds in the amount of $1,098,463 approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001899 **[Reserved Funds, Administrative Services]**

Hearing to consider release of reserved funds, Administrative Services (File 101-94-76, Ordinance No. 97-95) for planning, design and implementation of two capital improvement projects: Security Room Equipment Replacement $409,475, and Gateway Ballroom Audio Equipment Upgrade $483,000, which total $892,475. (Administrative Services Department)

10/25/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Leonard Tom; Administrative Services.
Release of reserves request amended to only release funds in the amount of $483,000.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001957 **[Healthcare for Indigents Program]**

Resolution authorizing adoption of the County description of proposed expenditure of California Healthcare for Indigents Program (CHIP) funds for fiscal year 2000-01 and that the President or duly authorized representative of the Board of Supervisors of the City and County of San Francisco can certify the County Description of Proposed Expenditure of CHIP funds for fiscal year 2000-01. (Public Health Department)

11/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Department requests this item be calendared at the November at the November 15, 2000 meeting.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jeffrey Leong, Department of Public Health.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001603 **[Airport Curbside Management Program]**

Resolution authorizing the Airport Commission ("Commission") to approve the continuation of a contract with ShuttlePort/DAJA SFO Joint Venture to operate the Airport Curbside Management Program for up to four additional one year options commencing November 15, 2000. (Airport Commission)

(Fiscal impact.)

9/11/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

9/27/00, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Barry Taranto, United Taxicab Workers.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001648 **[Special Assistants]**

Supervisor Yee

Hearing to discuss the use of and need for special assistants, and whether or not some of these special assistant positions would more appropriately be filled through the civil service process.

9/18/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard to Committee. Speakers: Supervisor Yee; Michele Modena, Department of Human Resources; Kate Favetti, Civil Service Commission; Lisa Feldstein; Beryl Magilavy; Charles Marsteller; Duane Reno, Attorney, Local 21; John Darmanin; Jim V.; Patrick Shaw; David Novogradsky, Executive Director, Local 21; Supervisor Bierman.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 2:05 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

November 9, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: November 15, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-1715

Note: This item was continued by the Finance and Labor Committee at its meeting of October 18, 2000.

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing a Design-Build Contract between the PUC and the Sierra Diesel Detroit Allison (SDDA) company to construct a Cogeneration Facility at the Southeast Water Pollution Control Plant.

Contract Amount: The subject resolution would approve a Design-Build Contract between the City and Sierra Diesel Detroit Allison (SDDA) in an amount not to exceed \$3,181,743. According to Ms. Laurie Park of the PUC, Acting General Manager of Hetch Hetchy, the maximum amount the PUC would be authorized to pay SDDA under the subject contract is \$3,181,743. However, the proposed contract states that, if necessary, the PUC would be authorized to adjust the total contract amount downward, based on the liquidated damages outlined in Comment No. 10 below.

Source of Funds: Renewable Energy Generation Project Appropriation, Hetch Hetchy FY 2000-2001 Budget

Budget: A summary budget for the proposed $3,181,743 contract with Sierra Diesel Detroit Allison is as follows:

Project	Amount
Installation of Cogeneration Engine	$794,147
Design and Construction of Engine	770,066
Electrical Instrumentation Equipment	216,475
Fuel System	170,703
Overhead	117,159
Interest Expense	112,028
Engineering and Management	89,000
Labor for Engine Components	65,065
Cooling System	64,150
Exhaust System	53,908
Additional digester gas storage	41,500
Miscellaneous Expenses*	39,015
Radiator Cooling System	33,438
Lubrication System	30,220
Starting System	25,531
General and Administration	22,531
Generator	13,974
One-year warranty (in addition to standard warranty of one year)	12,000
Control System	8,550
Bases (Concrete Pad)	1,262
Construction Contingency (3 Percent of Total Contract Costs)	95,468
Subtotal	$2,776,190
Net Profit (14.6 percent)	405,552
Total Contract Cost	**$3,181,742**

*Miscellaneous Expenses in the above budget include testing, travel, special tools, manuals, and shipping costs.

Description: The subject resolution would authorize a Design-Build Contract to design and build a Cogeneration Facility at the Southeast Water Pollution Control Plant in a maximum amount of $3,181,743 between the PUC and the Sierra Diesel Detroit Allison (SDDA), a subsidiary of Stewart & Stevenson, Inc. The proposed Cogeneration Facility would allow the PUC to capture gas emitted during the sewage treatment process at the Southeast Water Pollution Control Plant and reuse that gas to generate its own electricity, therefore reducing the amount of electricity that Hetch Hetchy would be required to supply the Southeast Water Pollution Control Plant from other sources in order to operate. In addition, Ms. Park of the PUC advises that

reusing these digester gases would reduce odors currently created by the Plant in the Bayview/Hunter's Point neighborhood. (See Attachment I, provided by the PUC, for additional details on the proposed Cogeneration Facility). Ms. Park advises that the PUC will receive a total estimated $1.15 million subsidy (approximately $230,000 annually) to help fund development costs of the proposed Cogeneration Facility from the California Energy Commission (CEC) during the first five years of the Cogeneration Facility operation, as discussed in Comment No. 8 below.

According to the PUC, the PUC issued a Request for Qualifications (RFQ) to 10 firms and received responses from two firms. Subsequently, the PUC issued a Request for Proposal (RFP) in February of 1999 to design and construct the subject Cogeneration Facility and received two proposals, one from SDDA and the other from Biller-McCoy Builders, Inc., as stated in Attachment I, provided by the PUC (see Comment No. 7 below). According to Ms. Park, the PUC considered SDDA's to be the only responsive bidder, since Biller-McCoy Builders had not participated in the required Request for Qualifications process, as explained in Attachment I. In any event, SDDA submitted the lowest bid of $3,094,804,[1] which was $3,533,808 less than the cost proposal of $6,628,612 submitted by Biller-McCoy Builders, Inc. (see Comment No. 7 below). According to Ms. Park, SDDA's bid was $3,533,808 less than the bid submitted by Biller-McCoy Builders largely due to the type of Cogeneration Facility SDDA proposed to build, which is a more conventional approach to this kind of project. In September of 1999, in addition to the fact that the PUC considered SDDA to be the only responsive bidder, the PUC adopted a resolution approving the selection of SDDA, based on the criteria discussed in Attachment I, and authorizing the PUC to negotiate a contract with SDDA.

According to Ms. Park, the RFP had requested that firms submit cost proposals based on a variety of purchase

[1] According to Ms. Park, SDDA's original bid of $3,094,804 increased by $86,939 to the total of the subject Design-Build Contract of $3,181,743 because of additional requests made by the PUC during its contract negotiation with SDDA, including additional digester gas storage and an additional radiator.

options, including the City purchasing outright the Cogeneration Facility upon its completion, as well as the firm owning the Cogeneration Facility and selling the electricity generated to the City. Ms. Park advises that PUC staff, after selecting SDDA for the project, determined that it would be more cost effective for the City to purchase the Cogeneration Facility outright, as stated in Attachment I. According to Ms. Park, the PUC then decided to negotiate with SDDA for a separate Operation and Maintenance Contract in the amount of $1,157,540, in addition to the subject Design-Build Contract (see Comment No. 2 below). According to Ms. Park, at its PUC meeting of September 12, 2000, the PUC approved the subject Design-Build Contract but voted to continue the proposed separate Operation and Maintenance Contract pending further negotiations and analysis of the contract's potential costs and benefits to the City.

Comments:

1. According to Ms. Park, construction on the proposed Cogeneration Facility is expected to begin in December of 2000 and be completed by December 31, 2001. According to Ms. Park, the scheduled time for this contract is 305 calendar days to substantial completion and sixty consecutive calendar days to final completion, for a total of 365 days, or one year. Ms. Park advises that the PUC previously planned to complete the proposed Cogeneration Facility by December of 2000. However, an extended negotiation process between the PUC and SDDA has postponed the completion date for one year until December of 2001, according to Ms. Park.

2. According to Ms. Park, the amount of the Operation and Maintenance Contract would be a total of $1,157,540 over the five years of the contract ($231,508 per year), commencing upon completion of the Cogeneration Plant, approximately in January of 2002 and terminating in January of 2007. However, as stated previously, the PUC has not yet approved the proposed Operation and Maintenance Contract. Ms. Park advises that PUC staff pursued the Operation and Maintenance Contract with SDDA in order to guarantee the full California Energy Commission (CEC) subsidy by holding the contractor responsible for meeting CEC requirements for electricity generation during the first five years of operating the

Cogeneration Facility. Under the proposed Maintenance and Operation contract, SDDA would be required to compensate the PUC for any lost CEC subsidy funds resulting from sub-optimal performance of the Cogeneration Facility during the first five years of operation, according to Ms. Park.

Ms. Park advises that the PUC decided to negotiate the Operation and Maintenance Contract on a sole-source basis with SDDA and has not undergone a competitive bidding process for the Operation and Maintenance Contract for the Cogeneration Facility, because "it is unlikely that another contractor would be willing to guarantee the performance of a plant designed and constructed by someone else," as stated in Attachment I. Ms. Park advises that the PUC, in the process of negotiating a $1,157,540 contract amount ($231,508 per year) with SDDA, confirmed that the contract amount would be roughly equal to what it would cost the PUC to operate and maintain the facility itself.

3. According to Ms. Sheryl Bregman of the City Attorney's Office, the Operation and Maintenance Contract is not subject to approval of the Board of Supervisors since the proposed five-year contract for $1,157,540 does not meet provisions in the Charter, Section 9.118, requiring Board of Supervisors approval of contracts over $10 million and/or with terms of 10 years or more.

4. Attachment I, provided by the PUC, explains that the PUC issued a single RFP for the design and construction of the proposed Cogeneration Facility, as opposed to using PUC employees and resources, and as opposed to issuing an RFP for the design portion of the project and undergoing a separate competitive bidding process for the construction of the Cogeneration Facility, because of the specialized nature of designing and building the Cogeneration Facility and due to the need to complete the project as quickly as possible in order to qualify for the full amount of an estimated $1.15 million subsidy from the California Energy Commission (CEC), as discussed in Comment No. 8 below.

5. As stated previously, under the proposed Operation and Maintenance Contract with SDDA, which is not the subject of this resolution, the PUC would pay to SDDA $231,508

annually for the five years of the contract, for a total of $1,157,540. After the five-year Operation and Maintenance Contract with SDDA expires, approximately in January of 2007, the PUC will operate and maintain the Cogeneration Facility using Civil Service employees, according to Ms. Park. Ms. Park advises that operation and maintenance costs to the City for the 15 years after the initial five-year contract with SDDA would begin on an annual basis at an estimated $261,604 for the year 2007, and gradually increase annually with the age of the Cogeneration Facility to account for inflation, major overhauls and an increasing need for maintenance the longer the facility is operating, as shown in Attachment II, provided by the PUC. Therefore, total operation and maintenance costs for the first 20 years of operating the proposed Cogeneration Facility would be an estimated $6,785,110 (a total of $1,157,540 for the Operation and Maintenance Contract with SDDA for the first five years of the contract, a total of $4,865,551 in costs to the City for the following 15 years of operating the facility and a total of $762,019 for major overhauls over those 15 years). The PUC did not provide maintenance and operation cost estimates for the City beyond the first 20 years of operation of the Cogeneration Facility.

According to Ms. Park, the PUC completed an analysis finding that the costs to the PUC of maintaining and operating the Cogeneration Plant using City employees would be roughly equal to the cost of a Operation and Maintenance Contract with SDDA, as stated in Attachment I. However, the PUC still decided to pursue the Operation and Maintenance Contract with SDDA for the first five years, rather than maintain and operate the facility itself, because the goal in having the Cogeneration Facility maintained and operated by the same company that built it was to guarantee the full CEC subsidy by holding the contractor responsible for meeting CEC requirements for electricity generation during the first five years of operating the Cogeneration Facility, as stated in Attachment I.

6. According to Ms. Park, the PUC requested that HMH Resources, a private consulting firm, conduct an economic and risk analysis of the proposed Cogeneration Facility, as part of HMH Resources' multi-year contract with the PUC.

According to the cost-benefit analysis completed by HMH Resources in September of 1999, summarized in Attachment III, the proposed Design-Build Contract and Operation and Maintenance Contract with SDDA would generate a total net savings to the City of an estimated $16,740,528 over the first 20 years of operating the Cogeneration Facility (which could continue to operate beyond the first 20 years) due primarily to: (a) the reduced cost of electricity to Hetch Hetchy since the Cogeneration Facility would produce its own electricity, and (b) the California Energy Commission (CEC) subsidy. However, the Budget Analyst notes that the operation and maintenance costs included in the cost-benefit analysis total $4,630,160 over the first 20 years of operation, remaining constant every year at $231,508 and not accounting for the annual cost increases for inflation and related costs discussed in Comment No. 5 above and shown in Attachment II, provided by the PUC. Using instead the total estimate of $6,785,110 for operation and maintenance, which does account for increasing costs over 20 years, would reduce the total estimated savings to the City over 20-years by $2,154,950 ($6,785,110 less $4,630,160) from $16,740,528 to $14,585,578. According to the PUC, additional benefits to the City of the proposed Cogeneration Plant would be the use of a renewable resource by the PUC that would otherwise be wasted and a reduction of odorous gases emitted from the Southeast Water Pollution Control Plant. The cost-benefit analysis prepared by HMH Resources and summarized in Attachment III assumes that the Cogeneration Facility would be completed and operating by January of 2001. However, the estimated opening date for the facility is now January of 2002.

7. As stated previously, the PUC received two proposals in response to the RFP to design and build the proposed Cogeneration Facility. According to Ms. Park, the two firms provided the following cost proposals in their applications:

Firm	Design-Build Cost Proposal
Biller-McCoy Builders, Inc.	$6,628,612
SDDA	$3,094,803

According to Ms. Park, SDDA's original bid of $3,094,804 increased by $86,939 to the total of the subject Design-Build Contract of $3,181,743 because of additional requests made by the PUC during its contract negotiation with SDDA, including additional digester gas storage and an additional radiator. As previously stated, SDDA was considered to be the only responsive bidder. In addition to the cost of the SDDA proposal, the PUC considered in its selection the design submitted by SDDA and the experience of SDDA in building and operating such facilities, as stated in Attachment I.

8. According to Ms. Park, and as stated in the subject resolution, the State California Energy Commission (CEC) has awarded to the PUC a subsidy of $0.139 per kilowatt-hour of electricity produced by the proposed Cogeneration Facility during its first five years of operation. According to Ms. Park, this subsidy will provide a total estimated $1.15 million to the PUC during the first five years the Cogeneration Facility is operating (approximately $230,000 annually). According to Ms. Park, in order for the PUC to receive the full amount of the estimated $1.15 State CEC subsidy, the proposed Cogeneration Facility must be completed by December 31, 2001 and, once operating, must meet certain requirements for electricity generation.

9. As stated previously, the proposed resolution would approve a contract between the City and Sierra Diesel Detroit Allison (SDDA) to design and build a Cogeneration Facility at the Southeast Water Pollution Control Plant. However the subject resolution does not specify the maximum contract amount of $3,181,743. Therefore, the subject resolution should be amended to include the exact contract amount of not to exceed $3,181,743.

10. The proposed contract states that the PUC would be authorized to adjust the total contract amount of $3,181,743 downward during performance or upon completion of the design and construction work if SDDA failed to meet the performance and contract term requirements. The contract documents provide the following standards for assessing liquidated damages SDDA would be required to pay to the PUC:

- $3,100 per calendar date for failure to meet substantial completion after 305 days.
- $750 per calendar day for failure to meet final completion after 365 days.
- $7,700 per kilowatt for electric output below 1954 kilowatts.
- $9000 per 10 British Thermal Units (BTU) per kilowatt hour for fuel consumption above the amount specified in the contract.
- $5000 per 10,000 BTU for thermal output below amount specified in contract.

Ms. Park advises that the liquidated damages above are designed to compensate the PUC for any CEC subsidy funds lost due to the Cogeneration Facility not being completed by the December 31, 2001 deadline, as stated in Attachment I. The City will make its first payment of 90 percent of the total contract cost to SDDA after the City has verified that SDDA has reached substantial completion of the Cogeneration Facility and that the City has verified that the facility is operating according to the terms outlined in the contract. In the subject Design-Build Contract, "substantial completion" is defined as 30 days of continuous operation of the Cogeneration Facility, during which time the facility must meet the performance standards outlined in the contract. The City will pay the remaining 10 percent of contract costs to SDDA after the City has verified that the SDDA has reached final completion of the project.

11. According to Mr. Carlos Jacobo of the PUC, the proposed $3,181,743 in contract funds are included in Hetch Hetchy's Renewable Energy Generation Project Budget No. CUH943, which were appropriated in Hetch Hetchy's FY 2000-2001 budget. Mr. Jacobo reports that this project budget currently has a balance of $3,200,000.

According to Ms. Park, the remaining $18,257 ($3,200,000 less the contract amount of $3,181,743) will be used to fund PUC staff time in coordinating work with the developer on the premises of the Southeast Water Control Pollution Plant.

12. According to the subject Design-Build Contract, SDDA is required to comply with Human Right Commission Subcontracting goals for the proposed Design-Build Contract, which are 20 percent combined MBE/WBE for the design services and 30 percent combined MBE/WBE for the construction services.

Recommendations:

1. Amend the proposed resolution to state the contract amount cannot exceed $3,181,743 between the PUC and SDDA, in accordance with Comment No. 9 above.

2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

SFPUC
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 MARKET ST., 4TH FLOOR, SAN FRANCISCO, CA 94103 • TEL (415) 554-0725 • FAX (415) 554-0796

WATER
ETCH HETCHY
TER & POWER
LEAN WATER

L. BROWN, JR.
R

NNIS NORMANDY
IDENT
R G. MAKRAS
PRESIDENT
K L. COOK
MOLLER CAEN
K KUMAR BHATT

P. MULLANE, JR.
RAL MANAGER

MEMORANDUM

TO: Harvey Rose, Board of Supervisors' Budget Analyst

FROM: Laurie Park, Hetch Hetchy - Acting General Manager LPark

SUBJECT: Southeast Cogeneration Project

DATE: October 12, 2000

BACKGROUND

Through the sewage treatment process, the Southeast Water Pollution Control Plant (SEWPCP) produces an average of 1,100,000 standard cubic feet (scf) of digester gas per day. Digester gas consists mostly of methane and carbon dioxide. It is often used as a fuel to produce thermal and/or electric energy. Digester gas is considered a renewable resource.

Currently, 40% of the digester gas produced by the SEWPCP is recycled to the boiler system to produce heat for the digesters and hot water supply for buildings. The excess 60% is flared to the atmosphere.

This project would utilize the digester gas to fuel a two megawatt cogeneration plant. The plant will use approximately 78% of the digester gas to produce both heat and electricity. The remaining digester gas will continue to be used to heat the existing boilers, but will be supplemented by the thermal energy produced by the cogeneration plant. The electricity will be sold by HH to the SEWPCP for its use on-site. By eliminating operation of the waste gas flares, odors from the SEWPCP will be reduced. In addition, this Project will provide 2 MW of emergency generation capacity in event of an outage on the PG&E electric grid .

BIDDING PROCESS

The City obtained a subsidy from the California Energy Commission (CEC) towards the construction of this renewable project. The subsidy is payable on the first 5 years' output generated by the plant at a rate of $0.0139 per kilowatt-hour (kWhr). Based on total estimated generation of 82,605,000 kWhrs over this period, the value of the subsidy is approximately $1.1 million. In order to earn the full CEC subsidy to which this project is entitled, the cogeneration facility must be operational by January 1, 2002.

Members of the Southeast community indicated a desire to allow bidders of cutting edge technologies with superior environmental performance (such as fuel cells which produce virtually no emissions) to participate in the bidding process. The bids were expected to range from $5 million for conventional technologies with a 15-20 year life to as high as $50 million for a prototype 2 megawatt fuel cell with a 2-3 year life that one fuel cell developer was promoting.

SFPUC staff decided to approach the bid process on the basis of bid price per kilowatt hour generated by the proposed Project. By this means, there would be a reasonable basis for comparing proposals from developers of projects employing vastly different technologies with very different operating characteristics, costs and efficiencies. A two step bidding process was employed: a "Request for Qualifications" ("RFQ") was first issued, followed by a "Request for Proposals" ("RFP") from bidders deemed qualified.

The original project structure contemplated allowing a contractor to construct a Project which beneficially employed the digester gas from the SEWPCP and sell the output to HH. A condition of the RFQ was that the cost of the output of the proposed Project could not exceed the price that SEWPCP paid for electricity, approximately $0.075 per kilowatt hour (kWhr). A further condition was that the developer should be capable of assuming responsibility for the complete design, construction, operation and maintenance of its proposed Project. In this manner, bidders with prototype technologies such as the fuel cell developer had the opportunity to compete with developers employing conventional technologies. Costs in excess of the $0.075/kWhr would have to be sought from other sources, such as federal and state renewable resource development grants and subsidies and private investors.

The RFP required that bidders indicate the price at which output would be sold to the SFPUC in cents per kilowatt hour in each of Years #1-12 of the proposed project's operation. In addition, the bidders were required to provide estimated installed costs, including major system components, all interties, design and construction of the building, interest during construction, transaction costs and contingencies. Further, the bidders were required to provide buyout prices for Years #5-12 in the event that the SFPUC elected a lease-purchase arrangement.

In December 1998, the SFPUC issued an RFQ. Although a number of firms attended the bidders' conference and expressed interest, only two firms submitted qualifications statements: Sierra Detroit Diesel Allison ("SDDA"), a subsidiary of Stewart & Stevenson with substantial experience in constructing and operating similar cogeneration plants throughout the U.S., and a joint venture of CH2M Hill and Energy 2000. Both of these firms were proposing conventional, well established technologies. Both were deemed qualified to submit proposals.

In January 1999, the RFP was issued to the two qualified bidders. However, the joint venture of CH2M Hill and Energy 2000 decided not to submit a proposal. Instead, they passed the RFP on to Biller-McCoy Builders, Inc. who submitted a proposal on its own behalf. The proposal was for 3 x 750 kW (gross capacity 2.2 MW) gas turbines for an installed price of $6.6 million. The Biller-McCoy Builders proposal was rejected on the basis that they had not participated in the RFQ process and was therefore ineligible to bid. Therefore, SDDA was the sole responsive bidder.

In September 1999, the SFPUC authorized staff to negotiate a contract with SDDA. However, the SFPUC decided that it would be more cost effective purchase the Project outright, rather than purchase output from the Project.

Staff negotiated two contracts with SDDA: a design-build contract in which the City would purchase the Project upon completion of construction, and an operations and maintenance agreement under which SDDA would provide services for up to five years, coincident with the term of the CEC subsidy, and SDDA would agree to guarantee performance of the Project sufficient to earn the full CEC subsidy during the period in which it operated and maintained the Project.

In September 2000, the SFPUC approved award of Contract CS-520 to SDDA to design and build a two-megawatt cogeneration facility at SEWPCP for a contract price of $3,181,742. The SFPUC decided that inasmuch as the operations and maintenance agreement was optional, the SFPUC would defer approval until policy issues had been fully vetted with respect to staff's proposed use of a contractor to operate and maintain a facility owned by the SFPUC.

DESIGN-BUILD CONTRACT

Ninety percent (90%) of the design-build contract price is payable after the Facility has been in operation for 30 days, and ten percent (10%) is payable upon completion of all punch list items. The contract provides for liquidated damages in case the contractor fails to meet any of the minimum performance specifications. In addition, failure to complete the project by January 1, 2002 will trigger liquidated damages at the rate of $3,100 per calendar day for failure to meet "substantial completion" and $750 per calendar day for failure to meet "final completion". The value of the negotiated liquidated damages is equivalent to the value of the output "lost" during the period of non-performance; i.e., at approximately $0.075/kWhr.

Funding is available in Project CUH943 in the amount of $3.2 million. The amount greater than the purchase price (approximately $28,000) is sufficient to cover SFPUC staff time to coordinate work with the developer on SEWPCP's premises. Inasmuch as this is a design-build contract, minimal project oversight will be necessary.

OPERATIONS AND MAINTENANCE CONTRACT

In negotiating the operations and maintenance contract, SFPUC staff determined that City costs to do the same work would be roughly equivalent to the price quoted by SDDA. The principal benefit in allowing SDDA to do the work for the first 5 years would be its guarantee of the full CEC subsidy. In addition, SDDA included training of SFPUC staff in both operations and maintenance in its scope of work.

Staff did not conduct a separate bidding process for an operations and maintenance contractor for this Project since it is unlikely that another contractor would be willing guarantee the performance of a plant designed and constructed by someone else.

CEC SUBSIDY

The CEC subsidy is earned on the quantity of output generated during the first 5 years of the Project's operation. However, the last date for collection of the CEC subidy is December 31, 2006. In the event that the Project is not placed in-service by January 1, 2002, the Project will lose the CEC subsidy at a rate of approximately $230,000 per year ($630 per day).

As noted under the description of the design-build contract, the negotiated liquidated damages make the City "whole" for the full value of any CEC subsidy lost.

PROJECT ECONOMICS

The SEWPCP is presently charged an average rate of approximately $0.075 per kWhr. The value of the annual electric output of this plant at the $0.075/kWhr rate is $1.2 million.

Annual operating costs are estimated at $265,000. Fuel is typically the most significant component of cost for a cogeneration plant. However, since digester gas is produced as a byproduct of the sewage digestion process, the cost of fuel for this project is $0.

The proposed project therefore yields a positive economic benefit of $935,000 per year before consideration of the CEC subsidy. After accounting for the CEC subsidy (approximately $230,000 per year for the first 5 years), the payback on this project is less than 3 years.. [$3.2M ÷ ($935K+$230K) = 2.75 years]

REQUEST FOR APPROVAL

SFPUC requests approval from the Board of Supervisors for the award of the Design Build Agreement to SDDA in the amount of $3,181,742.

Please contact David Henzl (415-554-3435) if there are any further questions.

Cc:
BOS Budget Analyst - Emilie Neumann
CWP - Jon Loiacono
CWP - Joe Wong
HHWP - David Henzl
SFPUC Finance - Carlos Jacobo
Records

15

COGENERATION AT SOUTHEAST PLANT
OPERATING AND MAINTENANCE

		Year 2002 NPV @ 6.5%	20-year Total	2002	2003	2004	2005	2006
Project operating & maintenance costs								
1 O&M costs (based on 5-yr contract)		3,112,715	6,023,091	231,508	231,508	231,508	231,508	231,508
2 Major overhaul (as occurs)		297,187	762,019	0	0	0	0	0
Total operating costs	$	3,112,715	6,023,091	231,508	231,508	231,508	231,508	231,508
Total O&M costs per kWh				*$0.0139*	*$0.0139*	*$0.0139*	*$0.0139*	*$0.0139*

COGENERATION AT SOUTHEAST PLANT
OPERATING AND MAINTENANCE

	2007	2008	2009	2010	2011	2012	2013	2014
Project operating & maintenance costs								
1 O&M costs (based on 5-yr contract)	261,604	269,452	277,536	285,862	294,438	303,271	312,369	321,740
2 Major overhaul (as occurs)	0	0	0	0	325,105	0	0	0
Total operating costs	261,604	269,452	277,536	285,862	294,438	303,271	312,369	321,740
Total O&M costs per kWh	*$0.0157*	*$0.0162*	*$0.0167*	*$0.0172*	*$0.0177*	*$0.0182*	*$0.0187*	*$0.0193*

Source: Public Utilities Commission

COGENERATION AT SOUTHEAST PLAN'
OPERATING AND MAINTENANCE

	2015	2016	2017	2018	2019	2020	2021
Project operating & maintenance costs							
1 O&M costs (based on 5-yr contract),	331,392	341,334	351,574	362,121	372,985	384.174	395,700
2 Major overhaul (as occurs)	0	0	0	0	0	0	436.914
Total operating costs	331,392	341,334	351,574	362,121	372,985	384.174	395,700
Total O&M costs per kWh	*$0.0199*	*$0.0205*	*$0.0211*	*$0.0217*	*$0.0224*	*$0.0231*	*$0.0238*

EXHIBIT 1

SEP DIGESTER GAS PROJECT
SEP KEEPS CEC PAYMENT
SEP OWNS
SDDA constructs, City buys upon acceptance
2 SDDA maintenance agreement

COMPARISON TO BAU	NPV @ 7.0%	20 year Totals	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006
BAU cost of purchased power	12,165,415	24,123,907	1,132,924	1,132,924	933,529	961,535	990,381	1,020,093
Costs with the project	0	0	0	0	0	0	0	0
Debt service or lease payment	0	0	0	0	0	0	0	0
Standby power	2,452,599	4,630,160	231,508	231,508	231,508	231,508	231,508	231,508
O&M costs	341,514	673,528	27,720	28,275	28,840	29,417	30,005	30,605
Make-up fuel	0	0	0	0	0	0	0	0
Developer fee/admin	66,057	133,096	5,000	5,100	5,253	5,411	5,573	5,740
SEP administrative costs	(941,577)	(1,148,210)	(229,642)	(229,642)	(229,642)	(229,642)	(229,642)	0
Less CEC rebate	1,918,593	4,288,574	34,586	35,241	35,959	36,694	37,444	267,853
Total savings	10,246,822	19,835,332	1,098,337	1,097,683	897,570	924,841	952,937	752,239
Capital investment	3,094,804	3,094,804	3,094,804					
Cumulative savings	7,152,018	16,740,528	(1,996,467)	(898,783)	(1,213)	923,628	1,876,565	2,628,804
Estimated IRR	31.4%							
Project payback	3.0 years							

Source: Public Utilities Commission

SEP DIGESTER GAS PROJECT
SEP KEEPS CEC PAYMENT
SEP OWNS
SDDA constructs, City buys upon
2 SDDA maintenance agreement

COMPARISON TO BAU	7 2007	8 2008	9 2009	10 2010	11 2011	12 2012	13 2013	14 2014	15 2015
BAU cost of purchased power	1,050,695	1,082,216	1,114,683	1,148,123	1,182,567	1,218,044	1,254,585	1,292,223	1,330,989
Costs with the project:									
Debt service or lease payment	0	0	0	0	0	0	0	0	0
Standby power	0	0	0	0	0	0	0	0	0
O&M costs	231,508	231,508	231,508	231,508	231,508	231,508	231,508	231,508	231,508
Make-up fuel	31,217	31,842	32,479	33,128	33,791	34,467	35,156	35,859	36,576
Developer fee/admin	0	0	0	0	0	0	0	0	0
SEP administrative costs	5,912	6,090	6,272	6,461	6,654	6,854	7,060	7,271	7,480
Less CEC rebate	0	0	0	0	0	0	0	0	0
	268,638	269,439	270,259	271,097	271,953	272,829	273,724	274,638	275,574
Total savings	782,058	812,777	844,424	877,026	910,614	945,215	980,862	1,017,584	1,055,416
Capital investment									
Cumulative savings	3,410,862	4,223,638	5,068,062	5,945,089	6,855,702	7,800,918	8,781,779	9,799,364	10,854,779

Estimated IRR
Project payback

SEP DIGESTER GAS PROJECT
SEP KEEPS CEC PAYMENT
SEP OWNS
SDDA constructs, City buys upon
2 SDDA maintenance agreement

COMPARISON TO BAU	16 2016	17 2017	18 2018	19 2019	20 2020
BAU cost of purchased power	1,370,919	1,412,047	1,454,408	1,498,040	1,542,982
Costs with the project					
Debt service or lease payment	0	0	0	0	0
Standby power	0	0	0	0	0
O&M costs	231,508	231,508	231,508	231,508	231,508
Make-up fuel	37,308	38,054	38,815	39,591	40,383
Developer fee/admin	0	0	0	0	0
SEP administrative costs	7,714	7,946	8,184	8,430	8,682
Less CEC rebate	0	0	0	0	0
	276,530	277,508	278,507	279,529	280,574
Total savings	1,094,389	1,134,539	1,175,901	1,218,512	1,262,408
Capital Investment					
Cumulative savings	11,949,169	13,083,708	14,259,609	15,478,120	16,740,528
Estimated IRR					
Project payback					

Item 2 – File 00-1801

Department: Mayor's Office of Housing (MOH)

Item: Ordinance amending Section 10.117-76 of the Administrative Code to clarify the nature of authorized loans and add additional sources of funds.

Description: In September of 1993 the Board of Supervisors approved a resolution creating the City's Mortgage Credit Certificate (MCC) Program, which is State authorized and is designed to assist first-time homebuyers in purchasing a single-family residence in San Francisco. The program issues certificates to low- and moderate-income first-time homebuyers to qualify them to claim an annual credit against Federal income taxes, based on a percentage of the annual mortgage interest payments on a single family residence or a duplex.

According to Ms. Maggie Davis of MOH, the California Debt Limit Allocation Committee (CDLAC) is now requiring that the City match the Mortgage Certificate Credits by providing to eligible homebuyers a forgivable loan of $7,500 to assist with the down payment.

In order for MOH to comply with the new CDLAC requirements to provide such forgivable loans, the City's Administrative Code must be amended. The Administrative Code, Section 10.117-76, establishes the Home Ownership Assistance Loan Fund, intended to expand home ownership opportunities for low- or moderate-income first-time homebuyers. The proposed ordinance would amend Section 10.117-76 in the three following ways to allow MOH to provide forgivable loans:

(1) Include *forgivable loans* in the authorized uses of funds in the Home Ownership Assistance Loan Fund.

(2) Section 10.117-76 authorizes MOH to administer the Home Ownership Assistance Fund. The proposed ordinance would specifically authorize MOH to "Establish guidelines and criteria for loans to be made from the Home Ownership Assistance Loan Fund, making periodic adjustments to the amount that may

be loaned in order to reflect market conditions in the residential real estate market." According to Mr. Joe LaTorre of MOH, this language reflects current practice and is intended to clarify in the Administrative Code the role of MOH in administering the Home Ownership Assistance Loan Fund.

(3) Authorize MOH to deposit into the Home Ownership Assistance Loan Fund "payment to the City of monies remaining in any fund or account established pursuant to the issuance of single family mortgage revenue bonds" and which are not required for the payment or redemption of the bonds.

Ms. Davis advises that for calendar year 2001, MOH plans to use the required forgivable loans of $7,500 as part of the Extra Credit Teacher Home Purchase Program, a new MCC program administered by the Mayor's Office of Housing (MOH) to assist low- and moderate-income public school teachers and principals to become first-time homebuyers. The Extra Credit Teacher Home Purchase Program would issue to home-owners up to $7,546,941 in Mortgage Credit Certificates awarded to MOH by the California Debt Limit Allocation Committee (CDLAC) in September of 2000.[1] Ms. Davis advises that the City plans to offer to eligible teachers and principals a loan of $7,500, which would be forgiven after the teacher or principal has served the required five years in a low-performing City school.

According to Ms. Davis, MOH plans to assist approximately 47 eligible teachers and principals through the Extra Credit Teacher Home Purchase Program, based on an average home loan amount of $200,000. Therefore, the City would issue a total of $352,500 in forgivable loans under the subject program (47 participants multiplied by the $7,500 forgivable loan). According to

[1] In June of 2000, the Board of Supervisors approved a resolution (File No. 00-1057) authorizing MOH to submit an application to the California Debt Limit Allocation Committee (CDLAC), the State agency which authorizes the amount of tax-exempt private-activity bonds and mortgage credit certificates which can be issued by local government agencies, for an additional allocation of Mortgage Credit Certificates in an amount not to exceed $10,000,000. Ms. Davis advises that CDLAC awarded to MOH a total of $7,546,941 in Mortgage Credit Certificates.

Mr. LaTorre, these forgivable loans of $7,500 each, or a total of $352,500, would be financed with proceeds generated by Single Family Mortgage Revenue Bonds and to be deposited in the City's Home Ownership Assistance Loan Fund, as explained in Attachment I to this report, provided by MOH. Attachment I shows that the City currently has approximately $1,925,000 available in funds resulting from the issuance of Single Family Mortgage Revenue Bonds. Mr. LaTorre advises that the remaining funds of $1,572,500 ($1,925,000 less the total $352,500 to be used for subject forgivable loans) will be used by MOH to assist other first-time homebuyers through programs already administered by MOH, as stated in Attachment I.

Ms. Davis advises that in order to qualify for the Mortgage Credit Certificate and the forgivable loan of $7,500, teachers and principals must commit to working in a low-performing City public school for five years. According to Ms. Davis, MOH will require those participating teachers and principals who fail to complete their five-year commitment to reimburse the City for the $7,500 loan. Ms. Davis advises that MOH will not charge interest to those teachers and principals required to repay the $7,500 loan to the City. Instead, as stated in Attachment II provided by MOH, MOH will require homebuyers to pay back the $7,500 loan plus 2 percent of the net increase in appreciated value of the home from the time the home was first purchased by the homebuyer. This payoff amount would be due: (1) when the property is sold, transferred or rented, or (2) after 40 years, as explained in Attachment II. According to Ms. Davis, MOH offers similar loan repayment plans in other MOH homeownership loan programs, such as the Downpayment Assistance Loan Program.

Of the 101 Kindergarten through 12^{th} grade public schools in the City, 27 schools are designated as low performing, according to Ms. Davis. Ms. Davis advises that participating teachers and principals will be required to purchase their homes in San Francisco.

Comments:

1. As stated previously, the proposed ordinance would amend the Administrative Code, Section 10.117-76, to include *forgivable loans* as an authorized use of funds in the Home Ownership Assistance Loan Fund. While MOH introduced the subject ordinance to receive authorization to provide $7,500 forgivable loans specifically to teachers and principals under the Extra Credit Teacher Home Purchase Program, the Budget Analyst notes that authorizing forgivable loans from the Home Ownership Assistance Loan Fund provides MOH with the authority to offer forgivable loans in the future, for any programs that fall under the designated uses of the Home Ownership Assistance Loan Fund. The Administrative Code, Section 10.117-76, states that the Home Ownership Assistance Loan Fund exists "...for the purpose of expanding home ownership opportunities for first-time home buyers who are persons, families or households of low or moderate income" and authorizes MOH to provide loans (not currently defined as forgivable) to individuals and non-profit organizations to secure housing. According to Ms. Sexton of the City Attorney's Office, if the proposed ordinance is passed, MOH will not be required to return to the Board of Supervisors for approval to grant future forgivable loans from the Home Ownership Assistance Loan Fund. However, MOH will be required to obtain Board of Supervisors approval to apply to the State for additional Mortgage Credit Certificates. As stated previously, for calendar year 2001, the State required that the City match its MCC allocation from the State with forgivable loans to participating home-buyers.

2. Ms. Davis reports that the subject Extra Credit Teacher Home Purchase Program will allow eligible home purchasers to take an annual tax credit against Federal income taxes of up to 20 percent of their mortgage interest. Under the MCC program, this percentage rate is established by the entity administering the program locally (in this case, the Mayor's Office of Housing), but may not exceed 50 percent of the mortgage interest. As stated previously, this assistance will be targeted for teachers and principals committed to working in low-performing San Francisco public schools for a minimum of 5 years. A teacher or principal who is awarded an MCC would still be able to deduct, for Federal income tax

purposes, the remaining amount of the annual mortgage interest payments not claimed as a credit against the taxes in the usual manner. By reducing the Federal income tax burden, the home buyer is left with increased disposable income with which to cover mortgage payments.

3. As stated in Comment No. 3, MOH has established that the percentage at which participants in the subject MCC program will be able to take an annual tax credit against Federal Income Taxes will be 20 percent of their mortgage interest. However, Mr. LaTorre advises that when the State authorizes the City to allocate a certain amount of Mortgage Credit Certificates, in this case a total of $7,546,941, the State bases this amount on the assumption that the City will offer to participants a 25 percent credit against their Federal Income Taxes. By decreasing the tax credit amount to 20 percent of mortgage interest, the City is able to offer tax credits to either more households or households with higher mortgages. When the City reduces the tax credit available to participants, the State then adjusts upward the amount of the Mortgage Credit Certificates the City is allocated so that the Federal tax credits the City ultimately provides to households equals the total tax credits the City was originally authorized by the State. According to Mr. LaTorre, based on the State formula, the City would receive authority to issue Mortgage Credit Certificates, totaling $9,433,676, or $1,886,735 more than the subject $7,546,941 MCC allocation amount.

4. According to Ms. Davis, the Federal Internal Revenue Code, Section 143, sets limits on the income and home purchase price for first-time homebuyers to qualify to receive a Mortgage Credit Certificate. Ms. Davis advises that the income limits are set at 100 percent of the median income for the San Francisco Metropolitan statistical area, adjusted for household size. Therefore, for teachers or principals to be eligible for the Extra Credit Teacher Home Purchase Program, they must: (a) have a combined family annual income of $52,450 or less for a single person, an income of $59,900 or less for a two-person household, an income of $67,400 or less for a three-person household, or an income of $74,900 or less

for a four-person household; and, (b) a home purchase limit of $430,000 for existing homes and $388,000 for new homes. The purchase limit for existing homes is more than the limit set for new homes because the Internal Revenue Code bases the purchase price limit on the average sale price for new and existing homes in the San Francisco region.

5. As stated previously, MOH plans to fund the proposed $7,500 forgivable loans (or total of $352,500 for 47 loans) by using a portion of $1,925,000 in proceeds generated by Single Family Mortgage Revenue Bonds, held in the City's Home Ownership Assistance Loan Fund, as explained in Attachment I. According to Ms. Michelle Sexton of the City Attorney's Office, State law requires that unexpended proceeds from single-family mortgage revenue bonds must first be used to retire any outstanding bonds. Once all such bonds are fully redeemed, remaining monies can then be used to support single-family mortgages for low and moderate-income households. In accordance with State policy, the remaining proceeds are being used to further the purposes of the original bond program. Ms. Sexton advises that the unexpended bond proceeds to be used by MOH for the forgivable loans are from bond programs that have been retired.

6. According to Ms. Davis, the City's 1998 MCC Program assisted 146 low- to moderate-income households with a median household income of $46,716 and a median home purchase price of $190,000, from January 1, 1998 through December 31, 1998. The City's 1999 MCC Program assisted a total of 178 households with a median household income of $49,496 and a median home purchase price of $220,553, from January 1999 through June 2000. As shown in Attachment III, provided by MOH, as of November 1, 2000 the City's 2000 MCC program has assisted 31 low-income households with a median income of $51,900 and a median home-purchase price of $277,699.

7. As stated in Attachment I, the San Francisco Unified School District will assist MOH in administering the Extra Credit Teacher Home Purchase Program by

marketing the program and certifying the eligibility of teachers and principals. In October of 2000, the Board of Supervisors approved a resolution (File No. 00-1815) approving a Memorandum of Understanding (MOU) between the City and the San Francisco Unified School District to work together in implementing the Extra Credit Teacher Home Purchase Program.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

MEMORANDUM

MARCIA ROSEN
DIRECTOR

November 7, 2000

To: Emilie Neumann, Budget Analyst
From: Joe LaTorre
Subject: File 00-1804 – Amendments to Home Ownership Assistance Loan Fund

You have requested that MOH address the following questions in connection with the above referenced matter to be considered by the Finance and Labor Committee on November 15, 2000.

1. *Please reference the exact provisions that allow excess funds from revenue bonds to be transferred to the City and any restrictions on the use of those funds.*

The provisions are contained in the Indenture for each individual bond issue (which was approved as part of the resolution authorizing issuance of the bonds). The language in the 1982 Indenture, for example, reads: "Sec. 10.01 ... the Trustee shall pay over, transfer, assign or deliver to the City all moneys or securities or other property held by tme pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption. ..."

The Indenture contains no restrictions on the City's use of the funds. Resolution 547-82, authorizing issuance of the bonds, makes no provision for how the funds are to be applied. However, it also approved a separate Home Mortgage Assistance Trust Agreement, funded by developer contributions, to provide additional assistance to first time homebuyers, and directed that "Any moneys distributed to the City under Section 3.03(D) of said trust agreement are hereby dedicated for use in connection with the City's community development block grant program, or any successor thereto, for purposes of low and moderate income housing." Pursuant to that provisions, MOH has been depositing such distributions into the Home Ownership Assistance Loan Fund.

2. *What amounts of funds to you expect to receive and from which bond issues?*

I have identified the following approximate amounts coming from the bond issues which were defeased within the last year. I met with the trustee on Thursday, Nov. 2, and have obtained the following estimates. Because there are various expenses to be paid and some federal rebate liability, these amounts are not final:

1982 Single Family Bonds	$870,000
1985 Single Family Bonds	$735,000
1990 Single Family Bonds	$320,000
	$1,925,000

25 VAN NESS AVENUE, SUITE 600 • SAN FRANCISCO, CALIFORNIA 94102 • (415) 252-3177 • FAX (415) 252-3140
TDD (415) 252-3107

Emilie Neumann, Budget Analyst Office
November 7, 2000
Page 2

The bonds were issued to support first time homebuyer programs generally, and not specific projects as such. The trustee is holding these funds in various accounts within the bond account, usually in the Revenue Fund or Capital Reserve Fund. Once deposited in the Homeownership Assistance Loan Fund, they will be used for the purpose of the fund, i.e. homeownership assistance loans for first time homebuyers.

3. *How much of these funds is currently available? Has the City received the funds yet?*

The funds are currently available, but remain in the trust accounts pending Board approval of transfer.

4. *Do you have sufficient funds to supply your target number of teachers and principals (approximately 47) with a $7,500 forgivable loan each? If not, please explain where you will get remaining funds.*

Downpayment assistance loans for 47 teachers would require $352,500 of the funds to be received from the bond defeasances. The remaining $1,572,500 (approximately) would be used to assist other first time homebuyers through our regular programs.

5. *Were these funds earmarked for any other uses before you decided to use them for the $7,500 loans? Does the City have the option to use the funds for something else (within the restrictions on their use)?*

These funds were not earmarked for any other use, since their repayment to the City was not assured. According to our financial advisor, state law requires that monies paid to the City be used for the general purpose for which the bonds were originally issued, i.e. assistance to low and moderate income first time homebuyers.

6. *Who will administer the program? What role with the School District play? What oversight will MOH have over the School District?*

The program will be jointly administered by MOH and the SFUSD. The draft MOU proposes that: 1. The SFUSD help to market the program, providing information and outreach to teachers and principals at the schools identified as low performing. 2. A person from SFUSD be assigned to certify eligibility of participants in the program and 3. SFUSD will monitor each loan recipient's compliance with the 5 year performance commitment term. The SFUSD is to provide at least an annual report that will identify all recipients of ECTHPP MCCs and the forgivable loans and what the current working status is in the school district and for what school--some certification that they are still in compliance.

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

MARCIA ROSEN
DIRECTOR

To: Emilie Neumann, Budget Analyst Office
From: Maggie Davis, MOH MD
Subject: Repayment of ECTHPP Loan
Date: November 9, 2000

The ECTHPP loan is made available to teachers and principals who commit to working in low performing San Francisco public schools for a minimum of five years. The $7,500 is a deferred, silent second loan that is forgiven at the end of five years upon the teacher or principal meeting the five-year commitment.

Exceptions for the five-year continuous employment requirement will be allowed per the CDLAC regulations in the following cases:

a. The Program participant is employed at the same school as at the time of receipt of the Mortgage Credit Certificate, but that school is no longer considered a low performing school;
b. The program participant transfers for another low performing school;
c. The program participant's departure from the low performing school was involuntary, and was not the result of disciplinary action, and she/he accepts a teaching or principal position at another California K-12 public school within one year of her/his date of departure;
d. Hardship cases: serious illness, death and divorce;
e. Occurrences covered under the Family Medical Leave Act; or
f. Any other exceptions the City identifies during the implementation of the program and seeks authorization for from CDLAC.

For those participants that do not meet the five-year commitment and who do not qualify for an exception as listed above, the loan will not be forgiven. Instead the loan is deferred for forty (40) years from the date of the initial purchase or until the sale of the property, transfer of title or rental of the property without prior approval of the City (in accordance with specified temporary rental guidelines). The payoff amount due from the borrower is (i) the principal amount of the loan plus (ii) the proportional share of the appreciation of the property.

The proportional share shall be based on the ratio of the original ECTHPP loan amount to the purchase price of the property or the fair market value of the property at the time of purchase, whichever is higher (both called hereafter the "purchase price"). At the time that the property is sold or rented, the City will determine the value of the property at that time (hereafter the "sale price"). Except in the case of units whose sales price are restricted by deed restrictions or other mechanisms to preserve affordability ("BMR units"), the value of the property at sale is the contracted sale price or the fair market value at the time of sale.

25 VAN NESS AVENUE, SUITE 600 • SAN FRANCISCO, CALIFORNIA 94102 • (415) 252-3177 • FAX (415) 252-3140
TDD (415) 252-3107

The amount of appreciation is determined by subtracting the purchase price or fair market value at the time of purchase from the sales price or fair market value at the time of sale or rental. The fair market value shall be the sales price or the appraised value of the property, whichever is higher. If the property has not increased in fair market value, the borrower shall be obligated to repay the principal amount of the loan only.

There is not prepayment penalty.

An Example:

Original purchase price	$350,000	
ECTHPP loan	$ 7,500	
Percentage of Appreciation (2%)		

Future Sale

Loan Principal due City		$7,500
Appreciation Share		
a. Sales Price or Fair Market Value	$400,000	
b. Original Price	($350.000)	
Net Appreciation	$ 50,000	
2 % of Net Appreciation		+$1.000
TOTAL DUE CITY		$8.500

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

MARCIA ROSEN
DIRECTOR

MORTGAGE CREDIT CERTIFICATE PROGRAM
STATISTICAL PROFILE FROM July 1, 2000 – November 1, 2000

Total number of household assisted:	14	MCCs issued
	17	Commitments issued
Total:	31	

Median Household Income: $ 51,900.00 (69% of San Francisco SMSA median for household of 4 persons; 87% of median for 2 persons household)

Median Purchase Price: $277,699.00

Median Mortgage Amount: $191,509.00

Household Size breakdown:			
	1 person	7	(23%)
	2 persons	6	(19%)
	3 persons	9	(29%)
	4 or more persons	9	(29%)

Ethnic breakdown:			
	White	6 households	(19%)
	Asian/Pacific Islander	21	(69%)
	Black	0	(0%)
	Hispanic	3	(10%)
	Other/decline to state	1	(2%)

District breakdown:

1) Richmond	1
2) Cow Hollow, Marina, Pacific Heights	0
3) Chinatown, Nob, Russian, Telegraph Hill, Waterfront	0
4) Sunset	1
5) Duboce Park, Fillmore, Haight, Panhandle & Western Addition	1
6) SOMA, Tenderloin, Treasure Island	9
7) Lake Merced & West of Twin Peaks	0
8) Castro, Glen Park & Noe Valley	1
9) Bernal Heights & Mission District	0
10) Bayview, Hunters Point, Potrero & Visitation Valley	8
11) Excelsior & OMI	10

25 VAN NESS AVENUE, SUITE 600 • SAN FRANCISCO, CALIFORNIA 94102 • (415) 252-3177 • FAX (415) 252-3140
TDD (415) 252-3107

Item 3 - File 1925

Department: Department of Public Health (DPH)

Item: Ordinance appropriating $250,000 from the General Fund Reserve – Queer Youth Shelter to fund the Transitional Housing Program for Homeless Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning Young Adults, for the Department of Public Health for FY 2000-01.

Amount: $250,000

Source of Funds: In FY 1999-2000, an unappropriated General Fund Reserve of $250,000 was approved by the Board of Supervisors in the FY 1999-2000 Annual Appropriation Ordinance for a Queer Youth Shelter. The purpose of this General Fund Reserve was to establish a Transitional Housing Program for Homeless Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning Young Adults, according to Ms. Monique Zmuda of DPH. The Controller carried forward the General Fund Reserve into FY 2000-01.

Description: According to the DPH, the Transitional Housing Program for Homeless Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning Young Adults (the subject Program) would provide transitional housing, with lengths of stay ranging between three to six months, for 15 young adults between the ages of 18 and 23 who are currently homeless or at risk of homelessness. The subject Program would also provide on-site and off-site counseling and referrals to a network of mental health, substance abuse, primary health care, education, and employment services.

The Program would be initially located in a new leased facility at 2500 Market Street. The proposed lease at 2500 Market Street is the subject of Item 4, File 00-1930, to be considered at this meeting of the Finance and Labor Committee.

Attachment I is a memorandum provided by Ms. Margot Antonetty of DPH which describes specifically what the subject Program will consist of, where the transitional

housing will be located, and what Program participant fee revenues will be generated.

Revenues: In addition to the subject appropriation of the $250,000 General Fund Reserve, additional revenues in the total amount of $424,798 would be available to fund the Program at a total estimated cost of $674,798, as shown in the table below.

Source of Revenues	Amount
Unexpended General Fund Reserve included in the FY 1999-2000 Annual Appropriation Ordinance (subject of this request)	$250,000
General Fund revenues appropriated in DPH budget for FY 2000-01	420,298
Program participant fee revenues	4,500
TOTAL	$674,798

According to Ms. Antonetty, DPH funding in the amount of $420,298 was appropriated for the start-up and operations of the subject Program in the FY 2000-01 budget. Ms. Antonetty states that fees will be generated from Program participants' ability to pay, in accordance with the criteria outlined in Attachment I.

Expenditures: A summary program budget is as follows:

Expenditure Item	Start-up Expenditures 04/01/00 – 11/14/00	Projected Expenditures 11/15/00 – 06/30/01	Total Expenditures
Salaries and Benefits	$20,808	$228,750	$249,558
Operating Expenses	80,213	146,486	226,699
Capital Expenditure	0	180,047	180,047
Direct Costs:	101,021	555,283	656,304
Indirect Costs	7,619	10,875	18,494
TOTAL:	$108,640	$566,158	$674,798

Attachment II, provided by DPH, is a detailed account of the expenditures in the amount of $108,640 already incurred against the previously appropriated funds of $420,298. Comment No. 2 discusses the incurring of costs for the three months between April and June of 2000, prior to Board of Supervisors appropriation approval.

Attachment III, provided by DPH, is a detailed account of the expenditures yet to be incurred in the amount of $566,158. The amount of $566,158 will be funded from (a) the balance of previously appropriated funds ($420,298 less $108,640 already expended, leaving a balance of $311,658), (b) the subject appropriation of the General Fund Reserve in the amount of $250,000, and (c) $4,500 in Program participant fee revenues.

Comments: 1. Funding in the total amount of $674,798 is for a DPH professional services contract for a 15-month period from April 1, 2000 to June 30, 2001 with the Ark of Refuge, Inc., a non-profit organization which provides social services, such as transitional housing and case management to homeless and underserved populations in San Francisco and the Bay Area. The Ark of Refuge was selected by DPH through a Request for Proposals (RFP) process held in March of 2000. According to a list of RFP recipients submitted to the Budget Analyst by DPH, DPH sent the RFP to 138 representatives of Bay Area non-profit organizations. The Ark of Refuge was the only

organization to submit a proposal. The Ark of Refuge submitted a comprehensive proposal and met all required qualifications, according to Ms. Antonetty.

Under its contract with DPH, which has a 15 month term of April 1, 2000 to June 30, 2001, the Ark of Refuge is responsible for providing safe and secure transitional housing and services to help the clients stabilize their living circumstances, according to Ms. Antonetty. Services will include educational and vocational services, the teaching of independent living skills, as well as mental health and substance abuse services. DPH will evaluate the Ark of Refuge's performance throughout its contract period. If the performance is satisfactory, DPH would renew the contract for one year.

2. Of the previously appropriated funds of $420,298, DPH has already spent $108,640 on start up costs. According to Mr. Mark Trotz of DPH, $27,249 in costs were accrued in the three month period between April and June of 2000, prior to Board of Supervisors appropriation approval, but no funds were actually paid until after the commencement of FY 2000-01. The costs incurred between April and June of 2000 comprised three months of rental payments for 2500 Market Street, at $9,083 per month, so that DPH was able to maintain the option of entering into a lease for that building. This lease is the subject of Item 4, File 00-1930, to be considered at this meeting of the Finance and Labor Committee. Mr. Trotz states that the decision was made to incur rental costs prior to FY 2000-01 in the knowledge that (a) the subject $250,000 General Fund Reserve had been previously established by the Board of Supervisors, (b) DPH had proposed that budgetary provision be made for the subject Program in FY 2000-01, and (c) DPH could cover the costs incurred from within existing DPH Housing Services funds if necessary.

3. According to Ms. Antonetty, the subject Program at 2500 Market Street should be ready to receive clients in December of 2000. According to Ms. Antonetty, an estimated 40 clients would participate in the subject Program between the opening of the Program facility at 2500 Market Street and June 30, 2001. Ms. Antonetty

states in Attachment I that 40 clients "assumes a staggered move-in process, which is common practice when opening a new facility." Ms. Antonetty states that in FY 2001-02, the Program is expected to serve between 60 and 100 clients, depending on clients' length of stay.

Recommendation: The Budget Analyst would normally recommend approval of the proposed ordinance based on the previous policy decisions of the Board of Supervisors. However, because DPH incurred an obligation of $27,249 prior to Board of Supervisors appropriation approval, the Budget Analyst considers approval of the subject ordinance to be a policy matter for the Board of Supervisors.

Attachment I

City and County of San Francisco
Department of Public Health

Housing Services
101 Grove Street, Room 119
San Francisco, California 94102-4505
Phone: (415) 554-2679
Fax: (415) 554-2658

MEMORANDUM

TO: Budget Analyst

FROM: Margot Antonetty, Policy and Program Manager

DATE: November 8, 2000

RE: **Lesbian, Gay, Bisexual, Transgender, Queer and Questioning (LGBTQQ) Young Adult Transitional Housing Program at 2500 Market Street**

The overall goal of the LGBTQQ Young Adult Transitional Housing Program is to create a safe, supportive, and culturally sensitive living environment for homeless LGBTQQ young adults in order to provide the basic stability in their lives. Receiving shelter, food and support, they can participate in constructive supportive services and activities that will enhance their self-sufficiency.

The program will provide transitional housing and supportive services to lesbian, gay, bisexual, transgender, queer and questioning young adults 18-23 years old at 2500 Market Street. The program will serve 15 clients at any given time and the length of stay will be between 3 and 6 months. The services include counseling, case management and assessment on site, as well as referrals to substance abuse services, mental health services, vocational, educational and employment services, etc. off-site. Additionally, 10 hours per week of substance abuse and mental health services are subcontracted through New Leaf specifically for the clients of this program.

In order to aid clients in developing financial responsibility, which includes saving for their transition from the program, as well as to defray program costs, a weekly fee of 25% of income or $50, whichever is less, will be required of all clients, once they have established employment and/or another source of income. Clients who require money management or payee services will be linked to appropriate agencies. One of these, Lutheran Social Services will also present in-services on-site to teach clients basic money management, fiscal planning, and budget concepts. Clients will be required to establish a savings account, which cannot be withdrawn upon until graduation from the program. In general, clients' service plans will be specifying to deposit 25% of their income or $50, whichever is less, in this account.

The program will be serving approximately 40 unduplicated clients (UDC) during the first contract year. This number assumes a staggered move-in process, which is common practice when opening a new facility. In contract year 2001/02, the UDC will be between 60 and 100, depending on clients' length of stay. The first contract year will inform the UDC for the second contract year.

The department has begun the process of seeking a permanent site for this program, since the lease for 2500 Market expires in two years.

	A	B	C	E	G	I	K
1							
2						Document Date	8/8/00
3							
4	Program Name	LGBTQQ Young Adult Transitional Program					
5							
6							
7				Salaries & Benefits Detail			
8							
9				PREVIOUS		PROPOSED	
10				TRANSACTION		TRANSACTION	
11			TERM		TERM	4/01/00- 11/14/00	INCREASE
12	POSITION TITLE		FTE	SALARIES	FTE	SALARIES	(DECREASE)
13	Program Director				1.00	$7,000	
14	Counselors				4.20	$4,846	
15	House Managers				5.20	$4,800	
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	TOTALS				10.40	$16,646	
31							
32							
33	EMPLOYEE FRINGE BENEFITS				25%	4,162	
34							
35							
36	TOTAL SALARIES & BENEFITS					$20,808	
37	DPH #2						

Budget Justification
Start Up
(April 1 - November 14, 2000)

SALARIES AND BENEFITS

Program Director *2 months X $42,000/annum* *Responsible for all aspects of day-to-day operation of the Facility. Staff hiring, training and support. Program design, implementation and evaluation. Development of policies, procedures, forms and program printed collateral. Representation to Neighborhood Advisory Council, City agencies and officials, and press. Ensures contract and code compliance. Conducts client counseling and case management services.*	$ 7,000
Counselors *2 weeks X $30,000/annum X 4.2 FTE* *Client support personnel. Crisis intervention, psychosocial support, referrals, group facilitation and activity management.*	$ 4,846
House Managers *2 weeks X $24,000/annum X 5.2 FTE* *Manage safety, cleanliness and orderliness of Facility. Monitor and provide practical support to clients. Assist with client chore schedules and fulfillment of Facility requirements and compliance with rules. Provide administrative and reception support for other staff. Assist in supply inventories, purchasing, storage, as well as food preparation, etc.*	$ 4,800
TOTALS	$ 16,646
Benefits *Standard package at 25%*	$ 4,162
TOTAL SALARIES AND BENEFITS	$ 20.808

Document Date: 8/8/00

Program Name LGBTQQ Young Adult Transitional Program

Operating Expense Detail

Expenditure Category:	TERM		PROPOSED TRANSACTION Start Up 4/1/00- 11/14/00	INCREASE (DECREASE)
Occupancy				
Rental of Property			$68,123	
Utilities(Elec, Water, Gas, Phone, Scavenger)			$750	
Building Maintenance Supplies and Repair			$0	
Materials and Supplies				
Office Supplies/Postage			$1,200	
Printing and Reproduction			$200	
Program/Educational Supplies			$200	
General Operating				
Insurance			$500	
Staff Training			$1,500	
Equipment Rental/Maintenance				
Relief Trainings			$1,740	
Staff Travel-(Local & Out of Town)			$0	
Consultant/Subcontractor Descriptive Title				
Project Consultant			$4,500	
Other				
Job Advertisings			$1,500	
TOTAL OPERATING EXPENSE			$80,213	

DPH #3

OPERATING

Rental of property at 2500 Market Street *7.5 months X $9,083/month*	$ 68,123
Utilities *2.5 months X $200 for general and 2 month X $125 for phone*	$ 750
Office Supplies *Two months X $100/month, 4 phones, pre-purchase of 1/2 year's supplies*	$ 1,200
Printing and Reproduction *2 months X $50 printing/month and $50/month reproduction*	$ 200
Program/Educational Supplies *Materials for staff training and client support services*	$ 200
Insurance *Prorated standard insurance comprehensive agency coverage*	$ 500
Staff Training *Two weeks of training for all staff before program starts operations, 16 hrs. of training through paid consultants at $75/hr.*	$ 1,500
Relief Training *3 X 20 hrs X $16/hr and 3 X 20 hrs X $13/hr*	$ 1,740
Project Consultant *100 hrs X $45/hr*	$ 4,500
Job Advertising *Chronicle/Examiner, Oakland Tribune, Opportunity NOCs , etc.*	$ 1,500
TOTAL OPERATING	$ 80,213

Document Date: 8/8/00

Program Name LGBTQQ Young Adult Transitional Program

Indirect Cost Detail

1. Salaries and Benefits

Position Title	TERM FTE	PREVIOUS TRANSACTION SALARIES	TERM FTE	PROPOSED TRANSACTION 4/01/00-11/14/00 SALARIES	INCREASE (DECREASE)
Executive Director			0.05	1,875	
Chief Finance Officer			0.10	2,500	
Deputy Director			0.05	1,720	
TOTAL FTE/SALARIES	0.00	0	0.20	6,095	
EMPLOYEE FRINGE BENEFITS	%		25%	1,524	
TOTAL SALARIES & BENEFITS				$7,619	

2. Operating Cost

Expenditure Category	PREVIOUS	PROPOSED	INCREASE (DECREASE)
TOTAL OPERATING COST			
TOTAL INDIRECT COST (Salaries & Benefits + Operating Cost)		$7,619	

DPH # 5

The Ark of Refuge/2500 Market Street

INDIRECT

Executive Director *.05 FTE X $60,000/annum* *Oversees all agency programs and staff, negotiates contracts, monitors and evaluates deliverables, attends relevant community and City meetings*	$ 1,875
Deputy Director *.05 FTE X $55,000/annum* *Responsible for all agency housing and case management services, along with all other agency programs. Involved in all strategic planning, program development and evaluation, and organizational development.*	$ 1,720
Chief Finance Officer *.10 FTE X $40,000/annum* *Responsible for monthly invoicing/accounts receivable, accounts payable, payroll processing and budget development for all agency contracts.*	$ 2,500
TOTAL	$ 6,095
Benefits *Standard package at 25%*	$ 1,524
TOTAL INDIRECTS	$ 7,619

Note:

The Budget Analyst notes that the total start-up expenditures for the subject Program between April 1, 2000 and November 14, 2000 are as follows:

Salaries and benefits:	$20,808
Operating expenses:	80,213
Indirect costs:	7,619
TOTAL:	$108,640

Document Date 8/8/00

Program Name LGBTQQ Young Adult Transitional Program

Salaries & Benefits Detail

	PREVIOUS TRANSACTION		PROPOSED TRANSACTION		
	TERM		TERM 11/15/00 - 6/3/01		
POSITION TITLE	FTE	SALARIES	FTE	SALARIES	INCREASE (DECREASE)
Program Director	1.00			$26,250	
Counselors	4.20			$78,750	
House Managers	5.20			$78,000	
TOTALS	10.40			$183,000	
EMPLOYEE FRINGE BENEFITS		25%		$45,750	
TOTAL SALARIES & BENEFITS				$228,750	

DPH #2

The Ark of Refuge/2500 Market Street

Budget Justification
Operating
(November 15, 2000 - June 30, 2001)

SALARIES AND BENEFITS

Program Director *1.0 FTE X $42,000/annum X 7.5 months* *Responsible for all aspects of day-to-day operation of the Facility. Staff hiring, training and support. Program design, implementation and evaluation. Development of policies, procedures, forms and program printed collateral. Representation to Neighborhood Advisory Council, City agencies and officials, and press. Ensures contract and code compliance. Conducts client counseling and case management services.*	$ 26,250
Counselors *4.2 FTE X 30,000/annum X 7.5 months* *Client support personnel. Crisis intervention, psychosocial support, referrals, group facilitation and activity management.*	$ 78,750
House Managers *5.2 FTE X 24,000/annum X 7.5 months* *Manage safety, cleanliness and orderliness of Facility. Monitor and provide practical support to clients. Assist with client chore schedules and fulfillment of Facility requirements and compliance with rules. Provide administrative and reception support for other staff. Assist in supply inventories, purchasing, storage, as well as food preparation, etc.*	$ 78,000
TOTAL	$183,000
Benefits *@ 25% standard agency package for full time employees*	$ 45,813
TOTAL SALARIES AND BENEFITS	$228,750

	A	B	C	D	E	F	G	H	I
1									
2							Document Date:		8/8/00
3									
4	Program Name	LGBTQQ Young Adult Transitional Program							
5									
6									
7			Operating Expense Detail						
8									
9									
10					PREVIOUS		PROPOSED		
11					TRANSACTION		TRANSACTION		INCREASE
12	Expenditure Category:			TERM			11/15/00 - 6/30/01		(DECREASE)
13	Occupancy								
14	Rental of Property						$68,123		
15	Utilities(Elec, Water, Gas, Phone, Scavenger)						$9,000		
16	Building Maintenance Supplies and Repair						$5,250		
17									
18	Materials and Supplies								
19	Office Supplies/Postage						$750		
20	Printing and Reproduction						$750		
21	Program/Educational Supplies						$600		
22									
23	General Operating								
24	Insurance						$2,000		
25	Staff Training								
26	Equipment Rental/Maintenance								
27									
28	Staff Travel-(Local & Out of Town)								
29									
30	Consultant/Subcontractor Descriptive Title								
31	New Leaf Services – Substance abuse and mental health						$18,000		
32	Counselors Relief Hours						$8,319		
33	House Manager Relief Hours						$6,760		
34									
35									
36	Other								
37	Food						$23,184		
38	Resident Activities and Supplies						$3,750		
39									
40									
41									
42									
43	TOTAL OPERATING EXPENSE						$146,486		
44									
45	DPH #3								

The Ark of Refuge/2500 Market Street

OPERATING

Rental of property at 2500 Market *7.5 months X $9,083/month*	$ 68,123
Utilities *7.5 months X $1,200/month for PG&E, garbage, water, recycling phone, Internet access and basic cable service*	$ 9,000
Building Maintenance Supplies and Repairs *7.5 months X $700/month building repair contingency; purchase of janitorial, cleaning, laundry, and other basic supplies*	$ 5,250
Office Supplies/Postage *7.5 months X $50 office supplies/month and $50/month postage*	$ 750
Printing and Reproduction *7.5 months X $50 printing/month and $50/month reproduction*	$ 750
Program/Educational Supplies *Materials for staff training and client support services*	$ 600
Insurance *Prorating of standard agency insurance comprehensive coverage*	$ 2,000
New Leaf Services *7.5 months X 14 hours/week individual and group substance abuse/mental health counseling and 7 hours/week prep, evaluation, and technical assistance*	$ 18,000
Relief Counselor hours *5.2 FTE X 12.5 days X 8 hours/day X $16/hr.*	$ 8,319
Relief House Manager hours *5.2 FTE X 12.5 days X 8 hours/day X $13/hr.*	$ 6,760
Food *$7 per client X 15 clients X 90%*	$ 23,184
Residents Activities and Supplies *7.5 months X 400/month for fast passes, personal hygiene supplies, etc.*	$ 3,750
TOTAL OPERATING	$146.486

Document Date: 8/8/00

Program Name LGBTQQ Young Adult Transitional Program

Capital Expenditure Detail
(Equipment and Remodeling Cost)

EQUIPMENT:

No.	ITEM/DESCRIPTION	PURCHASE COST EACH	TOTAL COST
	Food Prep/Dining Room Supplies		$6,500
	Bedding and Bath Supplies		$8,000
	Computers		$7,500
	Phone Installation		$1,200
	Security System		$6,000
	Office Equipment and General Furniture		$2,500
	Recreational Supplies/Equipment		$2,000

TOTAL EQUIPMENT COST $33,700

REMODELING:

Description:

Asian Neighborhood Design Construction Costs	90,700
Overhead, Profit, General Conditions, Contingency	34,147
Progessional Services	21,500

TOTAL REMODELING COST $146,347

TOTAL CAPITAL EXPENDITURE $180,047
(Equipment and Remodeling Cost)

DPH#4

The Ark of Refuge/2500 Market Street

CAPITAL RENOVATIONS AND START-UP PURCHASES

Food Prep/Dining Area Equipment and Supplies[2] *Reach-in refrigerator, large refrigerator, oven, microwave, storage cabinets, dishware, silverware, serving/storage utensils/containers*	$ 6,500
Bedding and Bath Supplies[3] *Washer and Dryer, blankets, sheets, pillows, towels, etc.*	$ 8,000
Computers *3 iMacs for clients and 2 admin Mac workstations for staff*	$ 7,500
Phone Installation[4] *4 lines (two for staff and two for clients) with a total of 20 voice mail boxes*	$ 1,200
Security System[5] *Four cameras, four part video monitor, buzz in door system*	$ 6,000
Office Equipment and General Furniture *Office desks, chairs, file cabinets, lights, client couches, tables, chairs etc.*	$ 2,500
Recreational Supplies/Equipment *Television, VCR, small stereo, games, books, etc.*	$ 2,000
Facility Renovations *All major capital improvements as specified by Department of Public Health (DPH) and Asian Neighborhood Design (AND)*	$ 90,700
Overhead, Profit, General Conditions, Contingency for construction	$ 34,147
Professional Service *Architectural services*	$ 21,500
TOTAL CAPITAL AND START-UP PURCHASES	**$180.047**

[2] Estimate provided by Sheffield's Food Service
[3] Based on estimate Ark used for 1999 application for permanent young adult shelter to DHS
[4] Based on Pac Bell business services
[5] Provided by Northwest Security Systems

Document Date: 8/8/00

Program Name LGBTQQ Young Adult Residential Program

Indirect Cost Detail

1. Salaries and Benefits

Position Title	TERM FTE	PREVIOUS TRANSACTION SALARIES	TERM FTE	PROPOSED TRANSACTION 11/15/00-6/30/00 SALARIES	INCREASE (DECREASE)
Executive Director			0.10	$3,750	
Chief Finance Officer			0.15	$3,750	
TOTAL FTE/SALARIES			0.25	$7,500	
EMPLOYEE FRINGE BENEFITS			25%	$1,875	
TOTAL SALARIES & BENEFITS				$9,375	

2. Operating Cost

Expenditure Category	PREVIOUS	PROPOSED	INCREASE (DECREASE)
Audit		$1,500	
TOTAL OPERATING COST		$1,500	
TOTAL INDIRECT COST (Salaries & Benefits + Operating Cost)		$10,875	

DPH # 5

The Ark of Refuge/2500 Market Street

INDIRECT

Salaries and Benefits

Executive Director *.10 FTE X $60,000/annum X 7.5 months* *Oversees all agency programs and staff, negotiates contracts, monitors and evaluates deliverables, attends relevant community and City meetings*	$ 3,750
Chief Finance Officer *.15 FTE X $4,000/annum* *Responsible for monthly invoicing/accounts receivable, accounts payable, payroll processing and budget development for this and all other agency contracts.*	$ 3,750
TOTAL	$ 7,500
Benefits *@25% standard agency package*	$ 1,875
TOTAL SALARIES AND BENEFITS	$ 9,375

Operating Cost

Audit *Prorating of agency audit service*	$ 1,500
TOTAL OPERATING COST	$ 1,500

TOTAL INDIRECT COST	$ 10.875

Note:

The Budget Analyst notes that the total projected expenditures for the subject Program between November 15, 2000 and June 30, 2001 are as follows:

Salaries and benefits:	$228,750
Operating expenses:	146,486
Capital expenditure:	180,047
Indirect costs:	10.875
TOTAL:	$566,158

Combining total start-up expenditures in the amount of $108,640 incurred between April 1, 2000 and November 14, 2000 (see Attachment III) with total project expenditures in the amount of $566,158, results in total expenditures of $674,798.

Item 4 - File 00-1930

Department:	Department of Public Health (DPH) Real Estate Division, Department of Administrative Services (RED)
Item:	Resolution authorizing a new lease of real property at 2500 Market Street on behalf of the Department of Public Health.
Location:	2500 Market Street, San Francisco
Purpose of Lease:	The subject property would house a Transitional Housing Program for Homeless Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning Young Adult. Funding for this Program, which would be operated by the Ark of Refuge, Inc., a community-based nonprofit social services agency, under contract to DPH, is the subject of Item 3, File 00-1925, to be considered at this meeting of the Finance and Labor Committee.
Lessor:	Tobin Hansen, Trustee of the Tobin Hansen 2000 Revocable Trust (the Trust)
Lessee:	Department of Public Health
No. of Sq. Ft. and Monthly Rental Revenues Payable by DPH to the Trust:	Approximately 4,000 square feet at a monthly rent of \$9,083 (approximately \$2.27 per square foot per month) for the first 12 months of the subject lease (December 1, 2000 to November 30, 2001). This would increase to a monthly rent of \$9,108.75 (approximately \$2.28 per square foot per month) for the second 12 months of the subject lease (December 1, 2001 to November 30, 2002). The monthly rent increase of \$25.75 from \$9,083 to \$9,108.75 represents an approximately 0.28 percent increase.
Annual Rental Revenues Payable by DPH to the Trust:	\$108,996 for the first 12 months of the subject lease (December 1, 2000 to November 30, 2001). \$109,305 for

the second 12 months of the subject lease (December 1, 2001 to November 30, 2002).

Source of Funds: The following revenues, in the total amount of $674,798, would fund the Transitional Housing Program for the 15-month period from April 1, 2000 to June 30, 2001, including the subject two year lease from December 1, 2000 to November 30, 2002:

Source of Revenues	Amount
Unexpended General Fund Reserve included in the FY 1999-2000 Annual Appropriation Ordinance	$250,000
General Fund revenues appropriated in DPH budget for FY 2000-01	420,298
Program participant fee revenues	4,500
TOTAL	$674,798

Term of Lease: Two years (December 1, 2000 to November 30, 2002).

Right of Renewal: As stated in the lease document, for up to 180 days after the lease expiration date or termination date, the City has the first right of refusal to lease the subject property for a non-specified period of time and at a rental rate to be determined, subject to Board of Supervisors approval.

Utilities and Janitorial Services: The City would be responsible for the cost of all utilities and janitorial services.

Tenant Improvements: The subject resolution would authorize DPH to complete necessary tenant improvements. As outlined in Item 3, File 00-1925, DPH anticipates expending $180,047, to be funded from the revenues listed above, to (a) make tenant improvements and renovations to convert the building at 2500 Market Street, which was most recently a gymnasium, into a facility appropriate for a transitional housing program, and (b) purchase the necessary furniture and equipment for staff and clients. All permanently installed tenant improvements would become part of the Lessor's property. The City is also

responsible, through the Ark of Refuge, for all reasonable interior maintenance and repair costs.

Comments:

1. The Transitional Housing Program is a new program, previously authorized by the Board of Supervisors, which is being funded in the total amount of $674,798 for the 15-month period of April 1, 2000 to June 30, 2001, as discussed in Item 3, File 00-1925. The amount of $674,798 will fund the DPH contract with the Ark of Refuge, Inc., a non-profit organization which provides social services to homeless and underserved populations in San Francisco and the Bay Area, to provide transitional housing program services at the 2500 Market Street location.

2. The Planning Commission granted a conditional use permit for the property (a former gymnasium), and a variance for open space and parking, on September 28, 2000.

3. Mr. Steve Legnitto of RED states that the rental rate contained in the subject lease represents fair market value.

Recommendation: Approve the subject lease.

Items 5 and 6 - Files 00-1698 and 00-1834

Department: Public Utilities Commission (PUC)

Items: Resolution adopting findings pursuant to the California Environmental Quality Act (CEQA); and authorizing the Public Utilities Commission to enter into a new 40-year lease with Mission Valley Rock Company for mining 242 acres of land under the jurisdiction of the PUC known as Parcel 65 located in Alameda County, California (File 00-1698)

Hearing to consider alternative proposals for 242 acres of City-owned Public Utilities Commission land out of a total of 10,505 acres on Parcel 65 located in Alameda County Lands, Sunol, and to compare other proposals with the proposed new 40-year lease with Mission Valley Rock Company, with respect to the following: total revenue generated; ecological impact on the local ecosystem; community support and input; water storage; impact on restoration of Water Temple; and other issues (File 00-1834).

Location: 242 acres out of the total of 10,505 acres of Parcel 65, Sunol in Alameda County (See Attachment I)

Purpose of Lease: Primarily for operation and maintenance of quarry, with incidental vineyard, orchard and nonexclusive use of adjacent area for the placement of a conveyor belt to transport mined material to the I-680 access road.

Lessor: San Francisco Public Utilities Commission

Lessee: Mission Valley Rock Company

Number of Acres: 242 acres

Annual Revenues Payable by Mission Valley Rock Company To The PUC: Base revenue of $100,000 per year, for the first 20 years ($2,000,000), plus 10.5 percent of the average sales price per ton charged by the Mission Valley Rock Company to their customers for sand and gravel,

including overburden[1] with adjustments to this percentage rate every five years. After the first 20 years, the City would continue to receive the adjusted 10.5 percent revenues from Mission Valley Rock Company (See Comment No. 3 for estimated total revenues).

Security Deposit Required of Mission Valley Rock Company: $2,000,000 bond in case of default or damages

Term of Lease: Approximately 40 Years, from the date of final approval by the Board of Supervisors and the Mayor through October 31, 2040, or earlier if completion of the quarry pits to be excavated.

One-Time Payment To The PUC By Mission Valley Rock Company if The Company Assigns or Sublets This Lease: $2,000,000 adjusted by CPI, to be paid by Mission Valley Rock Company to the PUC

Right of Renewal: None

Other Significant Provisions: City will retain all timber, mineral (except sand, gravel and rock) groundwater and surface water rights to the subject property, and the right to grant future rights and easements and to operate and repair PUC facilities, provided that such rights do not interfere with the Mission Valley Rock Company's use of the subject property.

Mission Valley Rock Company will be responsible for backfilling and landscaping the area within one-quarter mile radius surrounding the Sunol Water Temple (See Comment No. 2 for additional details).

Description: Currently, the PUC owns approximately 242 acres of unimproved, agricultural land in the Town of Sunol in

---

[1] Overburden is the additional clay and soil material that is required to be excavated from the quarry site that is not useable for construction material and would be sold at significantly lower prices as topsoil or other related purposes.

Alameda County, adjacent and south of Interstate 680. The PUC currently leases 69 acres, or approximately 28.5 percent, of the total 242-acre parcel to the Mission Valley Rock Company for mining purposes. The remaining 173-acre portion of the total 242-acre parcel is currently leased on a month-to-month basis to Pacific Nurseries of California, Inc. and Mission Valley Rock Company for agricultural purposes. This month-to-month lease with Pacific Nurseries of California, Inc., which did not require and thus was not approved by the Board of Supervisors, was entered into by the PUC in January of 1995, and currently generates approximately $77,850 of annual revenue for the PUC.

The 69-acre parcel currently leased to Mission Valley Rock Company for mining purposes is part of a larger 204-acre parcel PUC lease, which extends to the north side of Interstate 680. This 204-acre mining lease, with the Mission Valley Rock Company, which was previously approved by the Board of Supervisors, began in February of 1992 and extends for 20 years, or until 2012. An additional adjacent 48-acre parcel month-to-month lease with Mission Valley Rock Company, for mining and material storage began in January of 1978. Mr. Gary Dowd of the PUC advises that this 48-acre lease was last amended by the Board of Supervisors in 1981. According to Mr. Dowd, Mission Valley Rock Company is currently paying the PUC $.776 per ton, based on 10.5 percent of the average sales price of the tonnage sold. These two existing leases with the Mission Valley Rock Company in the Sunol Valley together generated $1,202,933 of revenues for the PUC in FY 1999-2000. Over the past ten years, between 1990 and 2000, these three Mission Valley Rock Company leases generated a total of $9,384,073 of revenues for the PUC.

If the proposed new 242-acre lease is approved, the existing 69-acre parcel lease with the Mission Valley Rock Company would be transferred into the proposed new 242-acre parcel lease. Mr. Dowd advises that this transfer of the 69 acres is being proposed to include all portions of the site south of I-680 into one contiguous lease.

On December 8, 1994, the Alameda County Board of Supervisors approved a permit for Mission Valley Rock Company to mine the subject 242-acre PUC parcel to a depth of 200 feet, and certified a final Environmental Impact Report (EIR) adopting findings on the subject surface mining project and a statement of overriding considerations, in accordance with the California Environmental Quality Act (CEQA). On September 26, 2000, the PUC certified the final EIR for the Alameda Watershed Management Plan, adopted findings and a statement of overriding considerations and approved the Watershed Management Plan, in accordance with CEQA. On August 3, 2000, the San Francisco Planning Commission certified the final EIR for the Alameda Watershed Management Plan. The Watershed Management Plan includes the Sunol Valley Resources Management Element, which covers mining activities on watershed lands and the Watershed Management Plan EIR is a comprehensive management plan for the Alameda Watershed lands under the jurisdiction of the San Francisco PUC.

The proposed resolution would authorize the PUC to enter into a new 40-year lease with the Mission Valley Rock Company to (1) operate and maintain a sand and gravel quarry and incidental vineyard and orchard, in accordance with the PUC's preferred mining plan and approved landscape and recreation plan; (2) pay to the PUC an annual base rent of $100,000 per year for the first 20 years of the lease, or a total of $2,000,000; (3) pay to the PUC an additional 10.5 percent of the average sales price per ton charged by the Mission Valley Rock Company for aggregate sand and gravel, including overburden with adjustments to this percentage rate every five years as reasonably determined by the City based on an independent appraisal of the fair market rates; and (4) perform all mitigation measures as set forth in the Alameda County mining permit, other approved plans, permits and the subject lease, in order to minimize the impact of the mining activity on surrounding lands. The proposed resolution also states that the Board of Supervisors has reviewed the Alameda County EIR, the Alameda Watershed Management Plan EIR and the CEQA findings, and that the Board of Supervisors

concurs with and adopts such findings and conclusions and that there is no need to prepare a subsequent EIR.

Comments:

1. Mr. Dowd prepared Attachment II, which includes a letter to the President of the Board of Supervisors dated October 26, 2000, and a follow-up email to the Budget Analyst's Office to address the issues for the proposed hearing (File 00-1834) to consider alternative proposals for the PUC's 242 acres of land with the proposed 40-year lease with the Mission Valley Rock Company, with respect to the total revenue generated, the ecological impact on the local ecosystem, community support and input, water storage, impact on the restoration of the Water Temple and other issues. As referenced on the last page of Attachment II, one alternative proposal was submitted to the PUC from Elliston Vineyards. That proposal is included as Attachment III. As discussed in Attachment III, this alternative lease would be for 30 years, with two five-year options, or a total of 40 years. For each of the first five years, the City would receive $50,000 per year, increasing to $100,000 per year for the next five years. Beginning in 2011 and through the remainder of the initial 30-year lease, Elliston Vineyards would pay the City $193,000 per year, for a total of $4,610,000 over the life of the 30-year period, as compared to the proposed lease with the Mission Valley Rock Company, wherein the City would realize between $52 million and $64 million over the 40-year lease.

2. As shown in Attachment I, the Sunol Water Temple is situated adjacent to and immediately southwest of the subject lease area. Mr. Dowd advises that the PUC has recently completed a $2 million restoration of the Sunol Water Temple. In accordance with the EIR, the subject mining lease requires that the Mission Valley Rock Company (1) backfill and landscape a one-quarter mile radius resource protection buffer around the Sunol Water Temple, and (2) the timing and sequence of mining and mining reclamation must be completed in the beginning of the lease in order to expedite mining and reclamation in order to create additional usable area for recreation near the Sunol Water Temple. Under the proposed lease, the Mission Valley Rock Company could not begin mining

activities on the site during the first five to six years of the lease, while the required planting and landscaping activities are undertaken, and to provide sufficient time for the planted vegetation to mature. According to Mr. Dowd, of the total 242 acres to be leased under the proposed resolution, a total of approximately 139 acres, or 57 percent, would be the actual mined area. The remaining 103 acres would be for the required landscaping, vegetation and vineyards. Once the mining activities on the proposed site are initiated by the Mission Valley Rock Company in approximately 2006, the mitigation measures, identified above for the Sunol Water Temple, would be completed.

3. Mr. Dowd advises that the proposed lease is for 40 years because it is anticipated to take that full length of time for the quarry pits to be excavated. Revenue projections were provided to the Budget Analyst's Office by the Mission Valley Rock Company, which assume (1) a four percent annual increase in the average price per ton of quarry material, (2) a fixed 10.5 percent rate for the City (although the proposed lease permits adjustment in this rate every five years of the lease based on an independent appraisal of the fair market rates), and (3) up to two million tons of material would be quarried annually. Based on these projections, beginning in 2006, the proposed percentage lease provision is projected to generate between $50 million to $62 million to the PUC over the life of the 40-year lease, depending upon whether the Mission Valley Rock Company is able to excavate a total of 34 million to 40 million tons of quarried material from the site. Over the entire 40-year term, this results in an average of approximately $1,250,000 to $1,550,000 per year, although less revenue would be realized in the early years, with such revenues increasing over the term of the lease. These revenues would be in addition to the $2,000,000 of total base revenues ($100,000 annually) realized during the first 20 years of the project, for a total revenue estimate of between $52 million and $64 million over the life of the 40-year lease, for an average of between $1,300,000 and $1,600,000 per year over the life of the 40-year lease. These revenues assume a rate beginning in 2006 of approximately $1.08 per ton, to

be paid to the PUC. As noted above, these estimates have not been adjusted every five years, as the lease permits, to reflect additional potential revenues that are likely to be received by the City, and as such, should be considered conservative estimates. As discussed above, currently, the PUC receives $1,202,933 in annual revenues based on $.776 per ton calculation of the 10.5 percent payment rate from the existing Mission Valley Rock Company leases, which date back to 1992 and 1978. Mr. Dowd advises that mining activities will continue under the two existing mining leases for approximately the next five to six years. At approximately that time, the proposed new 40-year lease would begin generating the additional revenues, as discussed above.

Mr. Dowd advises that the proposed lease includes 10.5 percent of the average sales price per ton for the excavated material rather than 10.5 percent of the total gross sales because (1) it is the industry standard method and the long-standing practice with this tenant, and (2) it is anticipated that the City will receive greater revenues based on this methodology due to the fact that a greater tonnage of the less expensive material (gravel) is sold than the tonnage of the more expensive material (sand). In addition, the Mission Valley Rock Company has agreed to pay this average sales price for the sale of overburden, which is not included in the calculation of the average price, which is sold at much lower rates than either sand or gravel.

4. Mr. Dowd advises that the proposed revenues would be deposited into the PUC's Operating Fund. In addition, Mr. Joshua Milstein of the City Attorney's Office advises that, in accordance with Section 5.06 (B)(1) of the 1984 Settlement Agreement and Master Water Sales Contract between the City and its suburban water customers, the revenues received from the proposed lease are considered non-operating revenues for the PUC. As such, Mr. Milstein advises that the suburban water purchasers would not receive credit for these lease revenues. These lease revenues would only be available for projects benefiting retail water ratepayers in San Francisco. Proposition H,

approved by San Francisco voters on June 2,1998 mandates that water rates are to remain at their current levels until July 1, 2006. Since the PUC's water rates in San Francisco have been frozen until 2006, Mr. Milstein advises that the proposed additional lease revenues could be used to offset a portion of the capital costs for water system improvements in San Francisco.

5. Mr. Dowd advises that the Mission Valley Rock Company was selected on a sole source basis for the proposed 40-year lease because Mission Valley Rock Company had an approved mining permit from Alameda County, they were the only organization that was able to meet the CEQA requirements, in accordance with the approved Alameda Watershed Management Plan and the surface mining permit issued by Alameda County (which includes the requirement that the material be transported to a processing plant by conveyor belt), and they already have an existing mining processing plant on the adjacent PUC property. According to Mr. Dowd, the Mission Valley Rock Company would install a conveyor belt system to transport the mined material from the proposed lease site under I-680 to the adjacent parcel to process the material.

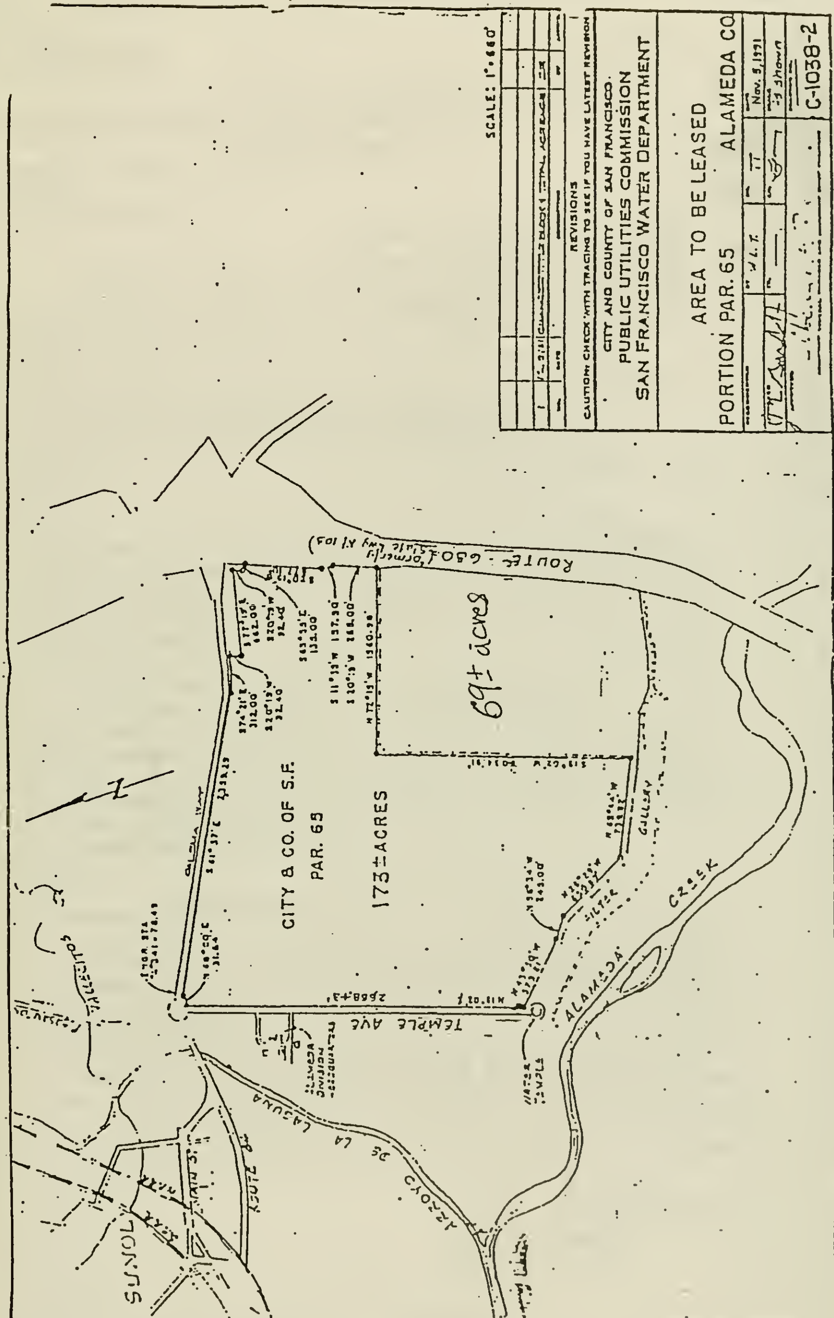
6. The proposed lease also permits the City to request that the Mission Valley Rock Company provide sand, road base, drain rock and other mined materials or products to the City, at the least costly rate that the Mission Valley Rock Company charges to its wholesale customers, in exchange for a credit against the percentage rent. Mr. Dowd advises that this provision was added to insure that the PUC would be able to receive any needed gravel material at the best rate over the next 40 years, instead of purchasing the necessary material from other companies. Mr. Dowd reports that the PUC Watershed staff estimate that the PUC would purchase approximately $30,000 annually of sand, road base, drain rock and other mined material from the Mission Valley Rock Company to maintain PUC's access and fire maintenance roads throughout the Watershed area. Mr. Dowd could not provide historical records of the

amount of such material purchased in the recent past by the PUC.

7. Mr. Charles Sullivan of the City Attorney's Office advises that the proposed lease also requires that an excavated pit be provided at the Sunol site by the Mission Valley Rock to permit the PUC to convert the excavated pit into an approximately 16,000 acre-foot water reservoir for use by the PUC for water storage. According to the PUC's Water Supply Master Plan, the PUC currently has an estimated 71 million gallon per day shortfall in existing water supplies available to the PUC service area in San Francisco, Alameda, San Mateo and Santa Clara counties. Mr. Milstein advises that the proposed 16,000-acre foot reservoir would be available, by the end of the proposed 40-year lease, to address a small portion of the PUC's water reservoir shortage. Based on an estimated $2,000 to $2,500 an acre-foot for construction of a similar reservoir by the City, it is estimated that it would cost approximately $32 million to $40 million ($2,000 to $2,500 per acre-foot times 16,000 acre feet) for the PUC to construct a similar water reservoir.

8. Mr. Milstein advises that a lawsuit has recently been filed by a community group known as Save Our Sunol (SOS), challenging the PUC's review of the Alameda County Watershed Plan, under CEQA. According to Mr. Milstein, a similar lawsuit was filed by SOS in 1995 concerning the mining permit issued to the Mission Valley Rock Company at the subject site. Mr. Milstein reports that SOS lost this earlier lawsuit at the Court of Appeals, and Mr. Milstein advises that a similar outcome is likely for the current lawsuit. Mr. Sullivan notes that the proposed lease includes an indemnification from the Mission Valley Rock Company for any costs incurred by the City relating to the City's issuance of this lease, including any third party lawsuits challenging the lease.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.


SCALE: 1"=660'
REVISIONS
CAUTION: CHECK WITH TRACING TO SEE IF YOU HAVE LATEST REVISION
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION
SAN FRANCISCO WATER DEPARTMENT
AREA TO BE LEASED
PORTION PAR. 65
ALAMEDA CO.
Nov. 5, 1991
C-1038-2
W. D. SPECIFICATION No.
SHEET
OF
ROUTE 680 (formerly State Hwy Rt 103)
69± acres
CITY & CO. OF S.F.
PAR. 65
173± ACRES
TEMPLE AVE
ALAMEDA CREEK
GALLERY
SUNOL

SFPUC

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
1155 MARKET ST., 4TH FLOOR, SAN FRANCISCO, CA 94103 • TEL (415) 554-3150 • FAX (415) 554-3161

October 26, 2000

Honorable Tom Ammiano, President
San Francisco Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94103

Re: Proposed Quarry Lease Between San Francisco Public Utilities Commission (SFPUC) and Mission Valley Rock Company

Dear President Ammiano:

On September 26, 2000, the SFPUC approved the above referenced quarry lease and forwarded it to the San Francisco Board of Supervisors for consideration. This was received by the Board on September 27, 2000 (File Number 001698) but has been placed under the 30 day rule which requires scheduling before the Finance & Labor Committee on November 15. It has also come to our attention that you have authored a Resolution urging the SFPUC to convene hearings to consider alternative development proposals for the 242 acres of land on which the quarry will be located. You have also suggested that the SFPUC should formally reopen the bidding process to consider, compare and weigh the merits of any alternative plan that has been formally submitted to the SFPUC. In addition you have called for hearings before the Finance & Labor Committee on this issue (File Number 001834)

Please be advised that the SFPUC has leased its Sunol Valley lands for quarrying for several decades. The proposed lease represents the culmination of an 8-year planning process under the Alameda Watershed Management Plan, which was also adopted by the SFPUC on September 26, 2000. The quarrying alternative selected by the SFPUC is consistent with mining permits issued by Alameda County, and seeks to maximize both mining revenue and future water storage in the completed quarry pits. Put simply, the mining lessees are paying the City to dig it a reservoir, which, if constructed on its own, would cost an estimated $2,000 an acre-foot.[1] The 16,000-acre foot reservoir, which would be created by this lease, thus has a value of $32 million in today's construction costs.

[1] Source: Water Supply Master Plan recently adopted by the PUC.

President Ammiano
Page 2
October 26, 2000

Opponents of the quarry lease have suggested that the land could generate equivalent income from agricultural uses. The SFPUC's recently adopted Water Supply Master Plan concluded that there is a 71 million gallon per day shortfall in *existing* water supplies available to the SFPUC service area in San Francisco, San Mateo, Alameda and Santa Clara counties. Assuming that the SFPUC had sufficient water supplies to devote to agriculture, our experience with agricultural leasing indicates that expected agricultural revenue would not approach royalty revenues from mining. In fact a recent submittal by Elliston Vineyards dated September 22, 2000 provides approximately $16,540,000 in revenue over a forty (40) year period (said amount includes $10,000,000 from a 69 acre parcel that would be mined by Mission Valley Rock as part of the vineyard proposal) while the lease with Mission Valley Rock will provide approximately $50,000,000 over the same period, in addition to the finished asset value of a completed reservoir.

As you know, the SFPUC's water rates in San Francisco have been frozen under a voter approved rate freeze until 2006. In approximately 1993 a management audit of the SFPUC recommended maximizing income from SFPUC land management activities. The proposed lease is entirely consistent with that past recommendation, and the estimated $50 million dollar total revenue from this lease could be used to offset a portion of the capital costs for water system improvements in San Francisco, reducing required future rate increases for City and County of San Francisco residents. In conclusion, we believe that the proposed lease represents prudent utility management on the part of the SFPUC.

We urge you to move approval of this lease forward in the most expeditious manner possible, especially with the scheduling of the quarry lease hearing before the Finance Committee (File number 001698).

If you or your staff has any questions about the proposed lease, please do not hesitate to call me at 554-3160

Very truly yours,

John P. Mullane, Jr.
General Manager

cc: San Francisco Board of Supervisors
SFPUC Commissioners

Date: 11/9/00
Sender: Gary Dowd
To: Debra Newman
Priority: Normal
Subject: Quarry Alternatives

=====================

Debra, per your request I am writing to confirm that to the best of my knowledge the SFPUC did not actively solicit or analyze other alternatives for
the proposed quarry site in Sunol, Calif. This was based on the fact that this area has long been the subject of water storage expansion and the total revenue
generated by the gravel quarry (in excess of $50 million dollars) made other alternatives incompatible with the overall goals of the SFPUC. There was in fact one proposal submitted to the SFPUC from Elliston Vineyards; however, it came in very late in the process and clearly fell short from both a water storage stand point and revenue stand point. The MVR lease proposal is consistent with the SFPUC Alameda Watershed Management Plan which the SFPUC spent countless hours preparing and reviewing before taking action to approve it. No other proposals can or will meet the SFPUC objectives and therefore the
MVR lease is strongly endorsed by staff and the SFPUC as being the only feasible
alternative.

Elliston Vineyards

September 22, 2000

Land Use Proposal

San Francisco PUC
1155 Market St., 5th Floor
San Francisco, CA. 94103

The following offers an alternative use for the San Francisco Water Property located at Interstate 680 and Paloma Road in Sunol, California. This proposal would be economically sound for the citizens of San Francisco, environmentally sound for the Sunol area and would have the support of the Sunol community. It would provide San Francisco the opportunity to be fiscally responsible while at the same time being a good neighbor to the Sunol community and the Southern Alameda County residents.

Statement of Intent

The amount of prime coastal land suitable for agriculture is diminishing. It would be Elliston Vineyards intent to use the land for agricultural purposes primarily vineyards, protecting this precious resource. The best part of the plan is that San Francisco earns income from both Elliston Vineyards on 193 acres and Mission Valley Rock on the remaining 69 acres. At the end of the lease term with Elliston Vineyards the land is available to the next generation of San Franciscans and Sunolians to use for best interests.

General Project Overview

The area desired is 193 acres of San Francisco Water Property located in Sunol, California, at the intersection of Interstate 680, and Paloma Road and Pleasanton-Sunol Road. Currently the San Francisco Water Department under the direction of the Public Utilities Commission manages this property. The Polk Water Temple is also located at the south-west corner of the property. The City of San Francisco is currently restoring this historic temple.

The land on this property consists roughly of 262 acres mostly flat with only minimal grade. Currently this land is used by Elliston Vineyards to grow grapes and an independent farmer growing various types of hay and grains. The property is leased by Mission Valley Rock Company who sub-lease to Elliston Vineyards. Mission Valley Rock Company would mine the remaining 69 acres under the agreement of a previously approved plan.

Proposed Lease Arrangements

The term of the lease to Elliston Vineyards would be 30 years with two 5 year options. The rent would be on a graduating scale allowing Elliston Vineyards to make the substantial capital investment in the planting

and maintaining of the grapevines. This would also allow the 4 years necessary for grapevines to mature prior to yielding substantial grape production.

Elliston Vineyards proposes a lease of $50,000/year for 5 years starting 2001. In 2006 the rent would increase to $100,000/year for the next 5 years of the lease. In 2011 the lease would increase to $193,000/year for the remaining 20 years. The income from Elliston Vineyards would be in addition to the agreement between Mission Valley Rock Company and the City of San Francisco.
When the Board agrees that they would like to proceed with this more responsible use of the land, Elliston will work with staff to complete the lease arrangements and timetable.

Management Structure

Elliston Vineyards will manage the project. We will be working closely with Wente Vineyards and will be relying on their expertise and vast experience in this field. It is Elliston Vineyards intent to have Wente Vineyards manage the planting and maintenance of the vineyard for the first several years of the project. Wente Vineyards has substantial background and experience in projects this size and their reputation is impeccable. They will also be responsible for the sale of any fruit that will not be used by Elliston.

Elliston Vineyards Incorporated

Elliston Vineyards has been in business since 1983. The primary business is the winery and entertainment business located in Sunol, California. The other interests are a vineyard and winery in Felton, California (Elliston Vineyards Santa Cruz Mountains) numerous rental properties in Kauai, Hawaii and a day spa in Pleasanton, California. Donna Flavetta & Keith Flavetta have been the owners since 1992 when the business was purchased from Ramon and Amy Awtrey (Donna's parents). Donna Flavetta the managing general partner is active in the local community. She is currently President of the Livermore Valley winegrowers Associating and the Tri-Valley Convention and Visitors Bureau. As a minority businesswomen Donna has built Elliston Vineyards into one of the premier businesses in Southern Alameda County. Keith is a senior executive with a nationally recognized financial institution with 30 years of experience in the financial service field.

Item 7 – File 00-1863

Department: Department of Administrative Services, Real Estate Division (RED)

Item: Resolution authorizing an amendment to extend the term of an existing one-year License and Hold Harmless Agreement for Excavation, Shoring, Underpinning and Other Construction Activities ("Agreement") with Continental 155 5th Corporation ("Owner"), and the sole tenant in possession, Wells Fargo Bank, for an additional three years, to November 17, 2003, to grant the City the right to enter the real property at 155 Fifth Street as needed to complete construction of the Moscone Center Expansion Project ("Moscone West"), and authorizing a Reciprocal License and Hold Harmless Agreement for Excavation, Shoring, Underpinning and Other Construction Activities ("Reciprocal Agreement") to provide the Owner similar rights of access in relation to the Moscone West site should Owner require such access for future construction.

Description: In March of 1996, the voters of San Francisco approved the lease financing of a further expansion of the Moscone Convention Center (Moscone West) through the issuance of $157,500,000 of lease revenue bonds. Moscone West, to be located at 4th and Howard Streets, will consist of an 800,000 square foot free-standing convention facility, providing 300,000 square feet of rentable exhibit and meeting room space on three floors. The Moscone West expansion will increase the existing approximately 600,000 rentable square foot of exhibit and meeting room space for Moscone Center by 50 percent, to provide a total of approximately 900,000 square feet of leasable convention and exhibit space. This expansion will enable the City to attract a greater number and larger conventions than are currently able to be booked into the existing facility. The remaining 500,000 square feet of the Moscone West expansion project (800,000 square foot expansion less 300,000 square foot of leaseable exhibit and meeting rooms) would be used for lobby space, utility rooms, truck delivery areas, elevator and stairs, back offices, and related support services. Construction of

Moscone West began in August of 1999, and is scheduled to be completed in the Spring of 2003.

Construction of Moscone West requires that construction personnel have ongoing access to areas outside of the construction site. Specifically, construction crews require ongoing access to the property located at 155 Fifth Street, which is adjacent to the Moscone West construction site. Activities that have taken place, and would continue to take place on the 155 Fifth Street property that are necessary for the completion of Moscone West include providing structural support underneath buildings near where excavation is taking place (underpinning), and creating temporary structures to hold earth in place to prevent it from collapsing into excavated areas (tie-backs). Additionally, construction personnel will need general use of the site to operate cranes and other construction equipment.

For the initial period of construction, on November 17, 1999, Anthony DeLucchi, the Director Of Property, approved a one-year License and Hold Harmless Agreement for Excavation, Shoring, Underpinning and Other Construction Activities with the owner and the sole tenant of the 155 Fifth Street property as allowed under Administrative Code Section 23.19 to provide the City's construction crews with access to areas outside of the construction site. The proposed resolution would amend this existing one-year agreement by extending it for three years, through November 17, 2003. The proposed resolution would also authorize a Reciprocal License and Hold Harmless Agreement to provide the owner of 155 Fifth Street with similar rights to those the City has regarding access to the Moscone West site. The Reciprocal License and Hold Harmless Agreement would go into effect on the date the agreement document is executed, and would expire after 30 years if no construction were undertaken at the 155 Fifth Street site, or 48 months after the commencement of any construction at that site. The Reciprocal License and Hold Harmless Agreement would ensure that if the Owner of the 155 Fifth Street opted to undertake construction at the 155 Fifth Street property, the Owner would have access to Moscone West for purposes of construction, and the City

would be held harmless by the Owner for related liabilities.

Comments:

1. According to Mr. Donnell Choy of the City Attorney's Office, the License and Hold Harmless Agreement between the City and the Owner and tenant of 155 Fifth Street, which was both entered into and became effective on November 17, 1999, was agreed upon by all parties only after extensive negotiations. According to Mr. Choy, this was in part due to the fact that construction plans required that the City have access to the 155 Fifth Street Property. This, in turn, left the City with no alternative but to accommodate the indemnification requirements of the owner and tenant of 155 Fifth Street property. Mr. Choy states that the indemnification provisions of the Agreement include specific assurances against any damage due to a) settling of earth underneath the structure on the 155 Fifth Street property caused by the City's construction activities, b) the release of hazardous materials on the subject property caused by the City's construction activities, c) accidental damage to or puncture of underground fuel tanks located on the subject property caused by the City's construction activities, and d) harmful effects from diesel fumes and dust on the building and personnel employed on the subject property caused by the City's construction activities. The Agreement also includes a general hold harmless agreement regarding accident or injury caused by City construction while on the 155 Fifth Street property.

2. Mr. Choy states that the Administrative Code, Section 23.19, allows the Director of Property to enter into lease agreements for periods of less than one year without obtaining prior approval from the Board of Supervisors. Mr. Choy further states that the license and hold harmless agreement is a "permit, contract or other agreement" within the meaning of Section 23.19 of the Administrative Code. Mr. Choy notes that since both the proposed agreements are in excess of one year, Board of Supervisors approval is required.

3. According to documents provided by RED, the original one-year License and Hold Harmless Agreement contained a provision that stated that, subsequent to

execution of the one-year Agreement, RED would in good faith seek approval from the Board of Supervisors to enter into the Reciprocal License and Indemnification Agreement. Mr. Steve Alms of RED states that RED now seeks the approval of the Board of Supervisors for a three-year extension of the original License and Hold Harmless Agreement, and for approval of the Reciprocal License and Hold Harmless Agreement.

4. Mr. Choy reports that the Reciprocal License and Hold Harmless Agreement is fair and is similar in scope to the License and Hold Harmless Agreement in that it protects the City against damages incurred by the City if the owner were to require access to the Moscone West site for future construction of the 155 Fifth Street site.

5. According to Mr. Alms, the Reciprocal License and Hold Harmless Agreement was the only consideration sought by the owner of 155 Fifth Street in exchange for granting the City the right to perform construction activities on the 155 Fifth Street site. Therefore, the City is not required to pay the Owner of 155 Fifth Street site for access to that site.

Recommendation: Approve the proposed resolution.

Item 8 – File 00-1876

Department: Mayor's Office of Housing (MOH)

Item: Resolution authorizing the issuance and delivery of Multifamily Housing Revenue Bonds in an aggregate principal amount not to exceed $11,750,000 for the purpose of providing financing for a multifamily rental housing project; authorizing the sale of the bonds; approving the form of and authorizing the execution of an indenture providing the terms and conditions of the bonds; approving the form of and authorizing the execution of a bond purchase contract providing the terms and conditions for the sale of the bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of a loan agreement; approving the form of and authorizing the execution of an intercreditor[1] agreement; approving the form of and authorizing the preparation and distribution of a preliminary official statement and the preparation and distribution of an official statement relating to the bonds; approving and authorizing the execution and delivery of any document necessary to implement this resolution; making low income housing findings; ratifying and approving any action heretofore taken in connection with the bonds and the project; and related matters.

Amount: Not to exceed $11,750,000

Source of Funds: Multifamily Housing Revenue Bonds

Description: This proposed resolution would authorize the City to issue Multifamily Housing Revenue Bonds on December 6, 2000 in an amount not to exceed $11,750,000 to finance a multifamily rental housing development in the South of Market neighborhood of the City. Such Multifamily Housing Revenue Bonds are authorized under Proposition A as approved by the voters in November of 1996. The proposed resolution would also approve the form and

[1] Approval of this resolution would create an intercreditor agreement between the funding agencies, which are Citibank and the City. An intercreditor agreement provides guidelines regarding how the various funding agreements would work together.

terms of documents and official notices related to the bond sale, and authorize City officials to take various actions necessary to carry out the sale of the bonds.

The City's authority to issue the proposed $11,750,000 in Multifamily Housing Revenue Bonds comes from Article I, Chapter 43 of the Administrative Code, entitled the Residential Mortgage Revenue Bond Law, and Section 9.107 of the Charter. These provisions authorize the City to incur bonded indebtedness for the purpose of providing mortgage financing for the acquisition, construction, or rehabilitation of housing in the City to encourage the availability of residential financing for persons and families of low or moderate income. Therefore, the City can issue Revenue Bonds to provide funding to develop or refinance low- and moderate-income multifamily rental housing. Bondholders of these Revenue Bonds are paid from the revenues generated from rental housing projects. According to Ms. Theresa Alzarez of the City Attorney's Office, these Revenue Bonds do not require the City to pledge repayment of the bonds, and the City has no legal liability with respect to the repayment of the Revenue Bonds. With rental developments, the bondholders have only two forms of recourse for payment: (1) the project rental and mortgage payment revenues, and (2) credit enhancement (such as bond insurance or letters of credit) held by project developers, provided by private parties.

The general provisions of the sale of the Multifamily Housing Revenue Bonds would be as follows:

- The sale of the bonds is tentatively scheduled for December 6, 2000.

- The bonds would be issued at a variable interest rate not to exceed eight percent and would have a final maturity not later than December 1, 2034. Additionally, the proposed bonds would have a variable interest rate, which could not exceed eight percent, throughout the 34-year life of the bond.

- A draft official statement describing the bonds to be issued is included with the proposed resolution for approval by the Board of Supervisors.

The subject Multifamily Housing Revenue Bonds would be used to partially finance the acquisition and construction of a 74-unit multifamily rental housing development located at 1166 Howard Street in the South of Market for low- and moderate-income persons. The total estimated project costs will be $28,885,764, as shown in Attachment I, provided by the MOH. In addition to the proposed bond financing of $11,750,000, the total project cost of $28,885,764 for the subject 74-unit multifamily rental housing development will be financed in the following manner: (1) by $10,822,233, including a $3,500,000 grant from the City's Affordable Housing and Home Ownership Bond Program (Proposition A, approved in November of 1996[2]), a $5,522,233 loan from the City's Affordable Housing Fund, and $1,800,000 from the Redevelopment Agency's Tax Increment Housing Program, (2) by $6,307,217 in Low-Income Housing Tax Credit Equity from investments by limited partners, and (3) $6,314 in developer equity. The developer, 1166 Howard Street Associates, has already acquired a site which is approximately 1.04 acres located at the corner of 8th and Howard Streets. The 1166 Howard Street Associates is a California limited partnership formed for the specific purpose of developing and owning the subject multifamily rental housing project. The general partners of the developer are two nonprofit organizations, the Tenderloin Neighborhood Development Corporation (TNDC) and the Citizens Housing Corporation (CHC), and the tax credit limited partner is Newport Fund 2001A. The multifamily rental housing development would be located at 1166 Howard Street and would be known as the 8th and Howard Family Apartments.

The proposed multifamily rental housing development will be comprised of one five-story building containing a total of 74 units. According to Mr. LaTorre, 73 of the 74 units (with the exception of one manager's unit) would be designated as below-market rentals with rents set at 30 percent of the household's monthly income. Qualifying

[2] In November of 1996, the voters of San Francisco approved Proposition A, which authorized the City to issue $100,000,000 in General Obligation Bonds to: (1) finance the development of rental housing affordable to low income households and (2) to provide down payment assistance to low- and moderate-income first-time homebuyers (the "Affordable Housing Bonds").

households in the City must earn no more than 60 percent of area median income (see Comment No. 3). The development's construction is expected to begin in February of 2001 and be completed by July of 2002. The development would contain the following unit mix: 12 one-bedroom units; 40 two-bedroom units; and 22 three-bedroom units. Unit amenities will include: refrigerator, range/oven, hydronic heating systems and storage space. The interior finish will include countertops, carpeting in the living areas, vinyl flooring in the kitchen/bathrooms, window treatments and cabinets. The project will also contain a secured entry, an outdoor courtyard, a community room, kitchen, an activity and computer room, and offices for management and service provisions. Additionally, the ground floor of the project will provide over 20,000 square feet of community and economic development space, including a licensed childcare center. As per the zoning requirements for the area, parking will be available for 38 vehicles.

Budget:

A summary budget for the total project cost of $28,885,764, provided by the MOH, is as follows:

Multifamily Housing Revenue Bonds (subject to this request)	$11,750,000
Developer Equity	6,314
Low-Income Housing Tax Credit Equity	6,307,217
Direct and Indirect Public Funds	10,822,233
TOTAL	**$28,885,764**

Attachment I, provided by the MOH, contains budget details to support the subject project.

Comments:

1. According to Mr. LaTorre, the MOH expects to issue the proposed Revenue Bonds, not to exceed $11,750,000, on December 6, 2000. The proposed Revenue Bonds would have a variable interest rate, not to exceed eight percent. The proposed resolution states that the proposed Revenue Bonds may not be issued initially at an interest rate that exceeds eight percent. Mr. LaTorre advises that if the bonds were issued at this time, these bonds would have an estimated interest rate of four percent.

2. Mr. LaTorre notes that under the affordability standards set forth by the City's Proposition A Bond Program loan, the multifamily housing development at 1166 Howard Street will be subject to rent limits below the fair market value for a period of 55 years. Mr. LaTorre advises that these affordability standards require the developers, 1166 Howard Street Associates, to offer 73 of the 74 total units at below-market rate rent. The units must be affordable to, and occupied by, households at or below 60 percent of the area median income. Even if these 34-year bonds were paid off early, 1166 Howard Street Associates would be required to maintain the 73 units at below-market rate until 2055.

3. According to Mr. LaTorre, the affordability of the 73 below-market rate units at the 8th and Howard Apartments is defined by the Federal Tax Code as units affordable to households designated "low-income and below" by the Federal Department of Housing and Urban Development (HUD). HUD considers "low-income" to be 60 percent of the metropolitan statistical area median income. Mr. LaTorre advises the median income in the metropolitan statistical area for the year 2000 is $74,900 for a 4-person household, and that qualifying households in San Francisco must earn no more than $31,450 for a one-person household, no more than $35,950 for a two-person household, no more than $40,450 for a 3-person household, and no more than $44,950 for a 4-person household.

4. According to Mr. LaTorre, and as stated in Attachment II, since 1985, the City has issued a total of $120 million in Multifamily Housing Revenue Bonds. These bonds have provided funds for below-market rate mortgages to developers of rental housing, with a portion of the units reserved for low-income households. Mr. LaTorre reports that since 1985, the program has financed the development of 1,245 rental units in the City, including 315 units, or approximately 25 percent, reserved for low-income households.

5. The Board of Supervisors authorized application in June of 2000 to the California Debt Limit Allocation Committee (CDLAC) for bond issuance authority on this

project. CDLAC granted authority to the City in September of 2000 (Resolution 566-00). In accordance with CDLAC requirements, the bonds must be issued by December 6, 2000.

6. According to Mr. LaTorre, Cahill and Lem, which was selected through a Redevelopment Agency Request for Qualifications process, will serve as the General Contractor for the construction of the Project. The design architect for the Project is David Baker FAIA & Associates, which was also selected through a Redevelopment Agency Request for Qualifications process.

7. As previously stated, approval of the proposed resolution would authorize the issuance of up to $11,750,000 in Multifamily Housing Revenue Bonds and a loan of those proceeds to the developer under the terms of the loan agreement. However, all future expenditures of the bond proceeds would be subject to appropriation approval by the Board of Supervisors.

8. As shown in Attachment III, the proposed sale of the total $11,750,000 in revenue bonds would result in a total debt service of approximately $15,917,013 ($11,750,000 in principal payments plus $4,167,013 in interest costs) over the 34-year life of the bonds. Following repayment of $7,775,000 in principal and $460,096 in interest of the bonds in one lump sum approximately one year following the completion of construction, which will be July of 2002, the average debt service payment per year would be approximately $256,064, calculated by dividing the total remaining payments ($7,681,917) by an estimated 30 years.

Recommendation: Approve the proposed resolution.

8th/Howard CDLAC Application

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS	AMOUNT	
Tax-Exempt Bond Proceeds "A" (Amortized)	3,975,000	11,750,000
Tax-Exempt Bond Proceeds "B" (Bridge)	7,775,000	11750,000
Taxable Bond Proceeds	0	
Developer Equity	6,314	
Low-Income Housing Tax Credit Equity	6,307,217	
Direct & Indirect Public Funds	10,822,233	17135714
TOTAL SOURCES	28,885,763	

USES OF FUNDS	COST
Air Rights Acquisition	2,910,777
Demolition	206,456
Unit Construction	10,853,303
Parking (including underground)	905,000
Site improvements	112,202
Environmental Remediation	655,000
Construction Escalation @5%	626,275
Construction Contingency @7.5%	986,384
Personal property	131,513
Architecture/Engineering	805,000
Local Fees	298,200
Insurance	78,000
Taxes During Construction	27,600
Legal - Construction/Permanent Financing	50,000
Appraisal	10,000
Bond Issuance Costs	279,811
Construction Period Interest (18 mos.)	530,237
Construction Interest Carryover (2 mos.)	107,119
Soft Construction Interest	0
Title, Escrow and Recording - Capitalized	30,000
Title, Escrow and Recording - Expensed	20,000
Development Fee	970,000
Interest on development fee	0
Marketing/Rentup	54,750
Soft Cost Contingency	90,000
Capitalized Operating Reserve (30% of EGI)	112,870
Audit	10,000
Legal - Syndication	29,500
Legal - Organization	5,500
Consultant - Syndication	27,500
Tax Credit Allocation Committee Fees	37,145
Repayment of bridge loan Interest	869,328
Subtotal Uses	21,829,469
Repayment of bridge loan principal	7,056,294
TOTAL PROJECT COSTS	28,885,763

Land Purchase	2,910,777
On-Site & Offsite	973,658
Hard Construction Costs	11,574,372
Architect & Engineering	805,000
Overhead & Profit	810,206
Developer Fee	970,000
Cost of Issuance	279,811
Capitalized Interest	530,237
Other Soft Costs	2,975,408
Subtotal	21,829,469
Plus bridge loan repayment	7,056,294
Total	28,885,763

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

MARCIA ROSEN
DIRECTOR

MEMORANDUM

October 20, 2000

To: The Honorable Leland Yee, Chair, Finance and Labor Committee
The Honorable Tom Ammiano, Board President
The Honorable Sue Bierman

From: Marcia Rosen MR

Subject: Resolution Authorizing Issuance of Multifamily Housing Revenue Bonds (8th & Howard Family Housing)

Requested Action: The Mayor's Office of Housing respectfully requests consideration of the attached resolution authorizing issuance of Multifamily Housing Revenue Bonds for the 8th and Howard Family Apartments by the Finance and Labor Committee on Wednesday, November 8, 2000.

Background: Since 1985, the City and County of San Francisco has issued a total of $120 million in Multifamily Housing Revenue Bonds. These bonds provided funds for below-market rate mortgages to developers of rental housing, with a portion of the units reserved for low income households. Since 1985, the program has financed development of 1,245 rental units in the City, including 315 units reserved for low income households.

Repayments of these mortgages are used to make principal and interest payments on the bonds. The bonds are not "full faith and credit" obligations of the City and County of San Francisco; bondholders are guaranteed payment only from the mortgage revenues.

This resolution authorizes the City to issue bonds for the financing of the 8th and Howard Family Apartments at 1166 Howard Street. The development will be a 74 unit building, with all of units (excepting one manager's unit) set aside as below-market rate rentals. The development is expected to commence construction in approximately February 2001 and be completed August 2000.

The developer of the property is a joint venture of Tenderloin Neighborhood Development Corporation and Citizens Housing Corporation, two non-profit housing developers with extensive development experience in providing housing for low income San Franciscans. TNDC and CHC will form a single asset corporation which will be the managing general partner of 1166 Howard Street Associates. In addition to bond financing, the development will financed

25 VAN NESS AVENUE, SUITE 600 • SAN FRANCISCO, CALIFORNIA 94102 • (415) 252-3177 • FAX (415) 252-3140
TDD (415) 252-3107

by loans from the City's Affordable Housing and Home Ownership Bond Program (Proposition A) and the Redevelopment Agency's Tax Increment Housing Program, and investments by limited partners who will benefit from low income housing tax credits generated by the development.

The project development budget includes all costs of the transaction: bond counsel and financial advisor fees, and the City Attorney costs.

Under the City's Prop A Bond Program loan, the development will be subject to rent regulation for a period of 55 years, which is longer than the typical 15 to 30 year affordability of revenue bond-financed developments. It is expected that the nonprofit entity will acquire the property from the partnership in approximately 15 years, thus ensuring the permanent affordability of the development.

Fiscal Impact: The bonds and related documents clearly state that the bondholders may look only to the revenues of the project and to the credit enhancement provider for payments of principal and interest on the bonds. Therefore, the City will not be directly or indirectly liable for payments on the housing revenue bonds.

Additional Information: The resolution will be introduced at the Board of Supervisors on Monday, October 23, 2000. Bond related documents to be approved by reference in the resolution are included in the file. Please contact Joe LaTorre of the Mayor's Office of Housing at 252-3188 or (after November 1) Joel Lipski at 252-3119 if you have any questions.

Cc: Harvey Rose, Budget Analyst
Susan Leal, Treasurer
Ed Harrington, Controller

8TH/HOWARD Mortgage Revenue Bonds
Estimated debt service

	"A" Bonds	"B" Bonds	Total Bonds
principal	3,975,000	7,775,000	11,750,000
term (mos)	360	30	
ave. rate	5.00%	4.50%	
total payments	7,681,917	8,235,096	15,917,013
total interest	3,706,917	460,096	4,167,013

NOTES:
"A" Bonds to be amortized over 30 years, paid by revenue generated by the development itself.
"B" Bonds to be paid off one year after completion of construction using City funds and tax credit investor funds.

Item 9 - File 00-1894

Department: Department of Public Health Public Health (DPH) and Community Health Network (HCN)

Item: Hearing to consider release of reserved funds for the Department of Public Health -Community Health Network (FY 2000-01 budget) in the amount of $1,098,463 to fund overtime expenditures at the San Francisco General Hospital and Laguna Honda Hospital.

This is a hearing to consider the release of $1,098,463 in reserved funds in the Department of Public Health's (DPH) Fiscal Year 2000-01 budget for overtime expenditures. Of the $1,098,463 in reserved funds, $1,019,646 has been reserved for overtime expenditures at San Francisco General Hospital and $78,817 has been reserved for overtime at Laguna Honda Hospital. During the FY 2000-01 budget hearings, the Finance and Labor Committee recommended that one third of annual overtime expenditure budgets for several City departments be placed on reserve so that the Committee can monitor spending for overtime during the fiscal year.

San Francisco General Hospital (SFGH)

1. DPH's approved FY 2000-01 General Fund budget for SFGH includes budgeted overtime expenditures of $2,826,727. The Finance and Labor Committee placed a total of $1,019,646 of this amount on reserve, leaving $1,807,081 available for expenditure.

2. In a letter to the Finance Committee dated October 24, 2000, the Director of Health, Dr. Mitchell Katz attributed high overtime spending at SFGH through the first 7.5 pay periods of FY 2000-01 to the following:

   - A high number of position vacancies requiring existing employees to work overtime.

   - A high number of patients treated at SFGH during the first quarter of FY 2000-01, which required additional staffing in part supplied through overtime.

   - Delays in implementing the contract to manage pharmacy benefits has resulted in the additional use of Civil Service pharmacy staff.

3. The Controller's latest projection report for salary and fringe benefit expenditures (including overtime) shows that as of the pay period ending October 13, 2000, SFGH has incurred General Fund overtime expenditures of $1,726,449. Therefore, through mid-October of 2000 (or 7.5 of 26.0 pay periods in FY 2000-01) SFGH has already expended 61.1 percent of its total overtime appropriation of $2,826,727, and 95.5 percent of its available, unreserved overtime funding of $1,807,081.

   The Controller's projection report shows that, based on overtime expenditures for the pay period ending October 13, 2000, SFGH will spend a total of $5,561,620 on overtime during FY 2000-01, which is 97 percent, or $2,734,893, more than the hospital's total FY 2000-01 overtime appropriation of $2,826,727. However, DPH currently projects that overtime spending for SFGH will decrease over the remaining pay periods of the Fiscal Year, thus resulting in a total overtime deficit of approximately $1,478,789 (see No. 4 below).

4. Ms. Monique Zmuda, Chief Financial Officer of DPH, estimates that SFGH will end FY 2000-01 with overtime expenditures of approximately $4,305,516, creating a deficit of approximately $1,478,789. DPH's estimated FY 2000-01 overtime deficit of $1,478,789 for SFGH is approximately $1,256,104 less than the Controller's estimated deficit of $2,734,893 because DPH expects overtime spending to decrease as the Department continues filling vacant positions and decreases its use of pharmacy Civil Service staff, as stated in the Attachment provided by DPH.

5. Based on all salary and fringe benefit expenditures (including overtime) incurred during the pay period ending October 13, 2000, the Controller's projections show that SFGH will spend a total of $187,384,850 during FY 2000-01, which is 0.93 percent, or $1,736,194, more than the hospital's total FY 2000-01 appropriation for salaries and fringe benefits of $185,648,656.

6. According to Ms. Zmuda, based on an analysis of first quarter revenue and expenditures, DPH expects SFGH to end FY 2000-01 with a balanced budget. DPH does not anticipate a need for a supplemental appropriation for additional General Funds in the current year to augment expenditures at the hospital. Mr. Matthew Hymel, Chief Assistant Controller, informs the Budget Analyst that he has reviewed the FY 2000-01 SFGH spending projections and concurs that, based on revenue and expenditure assumptions developed by DPH for the remainder of the fiscal year, DPH will be able to absorb deficit expenditures for overtime and will not require a supplemental appropriation.

7. At the current rate of overtime spending and based on the Controller's projections for the pay period ending October 13, 2000, SFGH was to exceed the $1,807,081 available in unreserved overtime appropriation during the pay period

ending October 27, 2000. Using the same rate of spending, SFGH will exceed its total overtime appropriation of $2,826,727 by January of 2000. Therefore, SFGH's entire FY 2000-2001 budgeted overtime funds will be spent with approximately six months of the fiscal year still remaining (January of 2000 through June of 2001).

<u>Laguna Honda Hospital (LHH)</u>

1. DPH's approved FY 2000-01 General Fund budget for LHH includes budgeted overtime expenditures of $236,452. The Finance and Labor Committee placed a total of $78,817 of this amount on reserve, leaving $157,635 available for expenditure.

2. In a letter to the Finance Committee dated October 24, 2000, Dr. Katz attributed high overtime spending at LHH through the first 7.5 pay periods of FY 2000-01 to the following:

    - A high number of position vacancies requiring existing employees to work overtime.

    - Overtime has been used to allow existing employees to train those new employees that have been hired.

    - Overtime was used to backfill regular hours for staff responsible for preparing Laguna Honda's annual licensing survey conducted September 11, 2000.

3. The Controller's latest projection report for salary and fringe benefit expenditures (including overtime) shows that as of the pay period ending October 13, 2000, LHH has incurred General Fund overtime expenditures of $1,131,726. Therefore, through mid-October of 2000 (or 7.5 of 26.0 pay periods in FY 2000-01) LHH had already exceeded its total overtime appropriation of $236,452 by $895,274, or 379 percent.

    The Controller's projection report shows that, based on overtime expenditures for the pay period ending October 13, 2000, LHH will spend a total of $2,998,537 on overtime during FY 2000-01, which is $2,762,085, or 1,168 percent, more than the hospitals' total FY 2000-01 overtime appropriation of $236,452. However, DPH currently projects that overtime spending for LHH will decrease over the remaining pay periods of the Fiscal Year, thus resulting in a total overtime deficit of approximately $1,800,000 (see No. 4 below).

4. Ms. Zmuda estimates that LHH will end FY 2000-01 with overtime expenditures of approximately $2,036,452, creating a deficit of approximately $1,800,000 over the budgeted overtime amount of $236,452. DPH's estimated FY 2000-01 overtime deficit of $1,800,000 for LHH is approximately $1,198,537 less than the Controller's estimated deficit of $2,998,537 because DPH expects overtime spending at LHH to decrease as the Department has developed a detailed plan to monitor and control overtime use during the fiscal year, as stated in the Attachment provided by DPH. According to DPH, this plan includes a revised hiring plan, biweekly monitoring of overtime uses and a review of workers compensation issues.

5. Based on all salary and fringe benefit expenditures (including overtime) incurred during the pay period ending October 13, 2000, the Controller's projections show that LHH will spend a total of $109,604,437 during FY 2000-01, which is $273,831, or 0.25 percent, less than the hospital's total FY 2000-01 appropriation for salaries and fringe benefits of $109,878,268.

6. According to Ms. Zmuda, based on an analysis of first quarter revenue and expenditures, DPH expects LHH to end FY 2000-01 with a balanced budget. DPH does not anticipate a need for a supplemental appropriation for additional General Funds in the current year to augment expenditures at the hospital because the projected deficit of $1,800,000 in overtime expenditures will be funded by other salary savings, according to Ms. Zmuda.

7. According to Ms. Zmuda, LHH exceeded the $157,635 available in unreserved overtime appropriation during the pay period ending July 21, 2000, and exceeded its total overtime appropriation of $236,452 during the pay period ending August 4, 2000. Therefore, LHH spent its entire FY 2000-2001 budgeted overtime funds with eleven months of the fiscal year still remaining (August of 2000 through June of 2001).

Recommendation: Approval of the proposed release of reserved funds is a policy matter for the Board of Supervisors.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

City and County of San Francisco

Department of Public Health

Mitchell H. Katz, MD
Director of Health

MEMORANDUM

Date: October 24, 2000

To: The Honorable Leland Y. Yee, Ph.D.
Chair, Finance and Labor Committee

From: Mitchell H. Katz, M.D.
Director of Health

Subject: FY 00-01 Funds Held on Reserve – Overtime

Recommended Action

The Department of Public Health is requesting release of $1,098,463 of FY 00-01 funds held on reserve for overtime for San Francisco General Hospital and Laguna Honda Hospital.

Background

During the budget hearings in June, the Finance Committee placed one third of the overtime budget for SFGH and LHH on reserve.

Analysis/Reason for Recommendation

Overtime expenditures in the Community Health Network for FY 00-01 are projected to exceed the budget. Overtime expenditures at SFGH are projected to be $737,000 over the overtime budget of $2.8 million. Overtime projections at LHH are projected to be $1.8 million over the budget. This level of overtime expenditures is consistent with overtime use for the Community Health Network last fiscal year. Over expenditures in overtime are expected to be offset by savings in other salary accounts. Total personnel expenditures are projected to be within budget this year, as was the case last year.

Overtime Expenditures at SFGH and Laguna Honda Hospital are as follows:

Program	Overtime Budget for FY 00-01	Expenditures as of Sept. 30, 2000	Annualized Estimated Overtime	Variance
SFGH	2,826,727	1,435,173	4,305,516	(1,478,779)
LHH	236,452	911,654	2,036,452	(1,800,000)

There are a number of factors affecting overtime use in the two hospitals. These factors include:

- SFGH has experienced high patient census in the first part of the fiscal year. This has required additional patient care staff that has been provided, in part, with overtime hours. In addition, delays in implementing the pharmacy benefits management contract has resulted in additional use of civil service pharmacy staff. Finally, a high number of position vacancies have required overtime use.

- LHH has a high number of vacant positions that have resulted in high overtime use. At the beginning of the fiscal year there were 160 vacant positions compared to budgeted salary savings of 92 FTE's. In mid-July 48 positions were approved for hiring however, new hires require a two week or longer training period. Overtime has been used to provide patient care during this training period until Laguna Honda fills vacant positions. In addition, overtime use in the beginning of the fiscal year was higher than normal as a result of the annual licensing survey conducted September 11. Overtime hours were used to backfill regular hours for staff preparing for the licensing survey.

Fiscal Implications

San Francisco General Hospital

SFGH expects that overtime use will slow during the remainder of the fiscal year as a result of increased hiring, lower use of pharmacy civil service staff and management of personnel expenses in departments that have incurred high overtime use in the first part of the fiscal year.

SFGH will be filling a number of vacant positions that were frozen last fiscal year due to large revenue deficits. SFGH started the fiscal year with over 300 vacant positions. This is significantly above the salary savings goal of 245 positions. Additional hiring of permanent civil service staff will reduce overtime that has been used to backfill position vacancies.

Overtime use is also expected to decline for pharmacy operations. Implementation of the pharmacy benefits management contract (scheduled to begin in November '00) will reduce the need for civil service pharmacy staff as utilization of the SFGH outpatient pharmacy shifts to neighborhood pharmacies.

In addition, in departments that have high overtime use in the first part of the fiscal year, either additional budgeted positions will be held vacant or hiring will be slowed until personnel expenses are within budgeted levels.

Finally, it should be noted that SFGH uses temporary salaries and overtime to respond to increased patient census. While census has been higher than expected in the first part of the fiscal year, fluctuations in patient census tend to average out during the fiscal year. Patient census is expected to decline until the winter months, that are traditionally the period of highest patient census.

Laguna Honda Hospital

Laguna Honda Hospital has developed a detailed plan to monitor and control overtime use during the fiscal year. This plan includes a revised hiring plan, biweekly monitoring of overtime use and review of workers comp issues.

LHH currently has a hiring plan. The hiring plan will place a priority on filling vacant positions that are currently being back-filled with overtime. In addition, LHH staff will work on improvements in the requisition process to prevent delays and to expedite hiring when positions become vacant.

LHH will implement biweekly review of overtime use for each division at the hospital. This review will include an analysis of overtime use and a plan to reduce overtime hours. Overtime use will be reviewed by the LHH Executive Committee.

LHH will assign a nurse manager to develop improved workers comp return-to-work programs to reduce time off for workers comp claims and the subsequent use of overtime to backfill position vacancies. In addition, new equipment to reduce injuries is being piloted at the hospital.

The personnel budget at LHH will be closely monitored throughout the fiscal year. Adjustments to the hiring plan will be made to meet clinical demand, to minimize overtime use and to bring expenditures within budgeted levels.

Thank you for your consideration of this request. If you have any questions, please call Monique Zmuda, Chief Financial Officer, at 554-2610.

Attachment

cc: Gloria Young, Clerk of the Board
Ken Jensen
Nancy Arata

TOTAL P.04

Item 10 - File 00-1899

Departments:	Department of Telecommunications and Information Services (DTIS) Department of Administrative Services (DAS)
Item:	Hearing to consider the release of \$892,475 in reserved funds for two capital improvements to the Moscone Convention Center South which comprise (a) the release of \$409,475 to fund the replacement of Security Room equipment, and (b) the release of \$483,000 to fund the upgrading of audio-visual equipment for the three Gateway Ballrooms.
Amount:	\$892,475
Source of Funds:	1994 Moscone Lease Revenue Bonds and 1994 San Francisco Redevelopment Agency Hotel Tax Revenue Bonds in the amount of \$32,117,349 were appropriated, and \$22,973,795 was placed on reserve, by the Board of Supervisors in April of 1995 for Moscone Convention Center capital improvements. According to Mr. Leonard Tom of DAS, \$19,703,204 of the original reserve of \$22,973,795 remains on reserve[1]. Therefore, the subject release of \$892,475 would further reduce the original reserve to \$18,810,729.
Description:	In April of 1995, the Board of Supervisors appropriated \$32,117,349 in Bond revenues and placed \$22,973,795 on reserve to fund various capital improvement projects for the Moscone Convention Center. At that time, contractors had not yet been selected and detailed budgets had not yet been prepared which fully identified the use of those funds. Therefore, the Board of Supervisors placed the entire \$22,973,795 on reserve pending the submission of finalized cost details, selection of contractors, and contract cost details.

[1] According to Mr. Tom, the following funds have been released by the Board of Supervisors from the \$22,973,795 reserve: \$679,500 for developing bid specifications and architectural drawings for capital improvement projects (1995); \$165,300 for capital improvement projects (February of 1996); \$778,277 for five capital improvement projects (December of 1996); and \$1,647,514 for two capital improvement projects (July of 1997). Cumulatively, these release of reserves total \$3,270,591.

This subject release of $892,475 in previously reserved funds would provide (a) $409,475 to fund the replacement of Security Room equipment in Moscone Convention Center South, and (b) $483,000 to fund the upgrading of audio-visual equipment in the three Gateway Ballrooms located in Moscone Convention Center South.

Budget: The budget for the requested release of $892,475 for Moscone Convention Center capital improvements is as follows:

Security Equipment Replacement		
Site preparation	$20,070	
Equipment and installation	310,606	
Engineering and design	45,731	
Subtotal:	$376,407	
Contingency (8.8 percent)	33,068	
Project total:		$409,475
Gateway Ballroom Audio-visual Equipment Upgrade		
Equipment and materials	231,700	
Transportation	3,120	
Installation and labor	136,725	
Engineering and project management	33,081	
Training and manuals	6,480	
Programming	16,560	
Taxes	21,302	
Subtotal:	$448,968	
Contingency (7.6 percent)	34,032	
Project total:		483,000
TOTAL:		$892,475

Comments: Security Equipment Replacement

1. According to Mr. Tom, the existing Moscone Convention Center South Security Control Room has (a) outdated equipment which is between 10 and 20 years old, and (b) insufficient space in its current configuration to support the security control needs of the Moscone

Convention Center West addition which is currently under construction. The proposed release of $409,475 would fund (a) the demolition and replacement of the outdated Security Control Room's equipment and fittings, (b) full equipment documentation and training manuals, and (c) a 12-month equipment warranty.

2. Mr. Tom states that contractor selection would be managed by the City Purchaser through a public bid process. Since the funds appropriated for capital improvement projects at the Moscone Convention Center were originally reserved because contractors had not yet been selected and detailed budgets had not yet been prepared which fully identified the use of those funds, the Budget Analyst recommends that the subject $409,475 continue to reserved, pending selection of the contractor and provision of related cost details.

<u>Gateway Ballroom Audio-visual Equipment Upgrade</u>

3. Rooms 102, 103, and 104 of the Moscone Convention Center South comprise the three Gateway Ballrooms which are used for a wide variety of events. According to Mr. Tom, none of the three rooms currently have dedicated audio-visual capability and users must temporarily install their own systems for an event. The proposed release of $483,000 would fund (a) the purchase and installation of new audio-visual, intercom, and assistive listening[2] systems, (b) integration of the new systems with other audio-visual systems in the Moscone Center South, (c) quality control, system acceptance tests, clean-up, and repair, (d) owner training, and (e) a 12-month equipment warranty.

4. Mr. Tom states that DTIS has an existing service contract with Siemens Enterprise Networks, LLC, for all communications work required by the City. DTIS selected Siemens Enterprise Networks on a competitive basis. Siemens Enterprise Networks has submitted a bid in the amount of $448,968 for completing the requested work. In addition, a contingency of $34,032 was provided

[2] Assistive listening systems are designed to help the hearing impaired.

which results in a total estimated project cost of $483,000. In response to a question from the Budget Analyst as to why consideration was not given to having an additional competitive process for installation of this audio-visual equipment in the Gateway Ballrooms, Mr. Tom advises that Siemens Enterprises Networks (a) was previously awarded a contract for City-wide communications work through a competitive bid process by DTIS, (b) is licensed and capable of performing the required work, and (c) would permit the most time-efficient installation of the audio-visual equipment.

5. According to Mr. Tom, DAS will probably seek to increase the Gateway Ballroom rental rates to recover costs associated with purchasing and installing the new audio-visual equipment. According to Mr. Tom, Moscone Convention Center rental rates are automatically increased every 18 months in line with the Moscone Convention Center joint venture contract. These regular rental rate increases reflect the cost of improvements to the Moscone Convention Center and increases in operating costs.

Recommendations:

1. Continue to reserve $409,475 for the replacement of Moscone Convention Center South Security Control Room equipment replacement, pending selection of a contractor and provision of related cost details.

2. Release the reserved funds in the amount of $483,000 for the upgrading of audio-visual equipment in the three Gateway Ballrooms.

Item 11 - File 00-1957

Department: Department of Public Health (DPH)

Item: Resolution authorizing the adoption of the County Description of Proposed Expenditure of California Healthcare for Indigents Program (CHIP) funds for Fiscal Year 2000-01, and authorizing that the President, or duly authorized representative of the Board of Supervisors of the City and County of San Francisco can certify the County Description of Proposed Expenditure of CHIP funds for FY 2000-01.

Amount: $4,826,945

Source of Funds: California Healthcare for Indigents Program (CHIP)

Description: The State Department of Health Services (DHS) established the California Healthcare for Indigents Program (CHIP) in 1989 to provide funds to the counties to pay for medical services for indigent persons who are not eligible for other private or public health care programs. CHIP is funded by Proposition 99 (Tobacco Tax) money. The counties use CHIP funds to reimburse both County and non-County providers for uncompensated services for indigent persons who are not able to otherwise pay for the cost of such health services.

CHIP funds are used to reimburse (a) participating County and non-County hospitals for inpatient, outpatient, and emergency services, and (b) participating private physicians for emergency, obstetric, and pediatric services, provided to indigent persons.

State regulations require that the County submit to the State, on an annual basis, a description of the County's proposed expenditures of the CHIP funds, and that the President of the Board of Supervisors, or duly authorized representative, certify the subject expenditure description. The proposed resolution would authorize the County Description of Proposed Expenditure of the subject CHIP funds for FY 2000-01.

Proposed Expenditures of CHIP Funds:

The allocation of the CHIP funds for FY 2000-01 is as follows:

County Hospital Fund	$3,782,498
Non-County Hospital Fund	300,870
Physician Services Fund	222,060
Other Health Services Fund	521,517
Total CHIP Funds	**$4,826,945**

Comments:

1. As shown in the Attachment provided by the DPH, the CHIP allocation by each Fund noted above, is as follows:

County Hospital Funds

DPH has allocated $3,782,498 in County Hospital Funds for indigent services at San Francisco General Hospital (SFGH), including administrative costs, and the Child Health and Disability Prevention (CHDP) services at SFGH.

SFGH Services	$3,253,866
CHDP Services	106,351
DPH Administrative Costs	422,281
Total County Hospital Fund	**$3,782,498**

Non-County Hospital Fund

DPH has allocated $300,870 to the Non-County Hospital Fund, including $150,435, or 50 percent, to 6 local non-County hospitals (California Pacific Medical Center, Chinese Hospital, University of California at San Francisco Medical Center, St. Francis Hospital, St. Luke's Hospital, and St. Mary's Hospital), based on the State's mandated formula, and $150,435, or 50 percent, to reimburse these local non-County hospitals on a discretionary basis.

State-mandated Funds		$150,435
Discretionary Funds		
Hospital Reimbursement	133,887	
Professional Services Contract*	16,548	

Subtotal Discretionary Funds	150,435
Total Non-County Hospital Fund	**$300,870**

* Mr. Jeffrey Leong of DPH states that DPH has an existing professional services contract with Lifemark, Incorporated, to process medical claims for reimbursement from private hospitals and physicians.

Physician Services Fund

DPH has allocated $222,060 to the Physician Services Fund, including $111,030, or 50 percent, to Emergency Medical Services (EMS), and $111,030, or 50 percent for new contracts.

Emergency Medical Services		
EMS	$ 99,927	
Professional Services Contract	11,103	
Subtotal EMS		111,030
New Contracts		
EMS	11,781	
Child Health and Disability Prevention (CHDP)	88,146	
Professional Services Contract	11,103	
Subtotal New Contracts		111,030
Total Physician Services Fund		**$222,060**

Other Health Services Fund

DPH has allocated $521,517 for other health services, including reimbursements for indigent services at SFGH and Child Health and Disability Prevention (CHDP) services at SFGH, and administrative costs.

SFGH	$362,145
CHDP	106
DPH Administrative Costs	58,223
Professional Services Contract	101,043
Total Other Health Services Fund	**$521,517**

2. In August of 2000, the Board of Supervisors authorized DPH to accept and expend up to $4,846,670 in CHIP funds (File 00-1478). According to Mr. Leong, the final total State allocation is $4,826,945, the amount to be

certified to the State under the proposed subject resolution.

3. The Board of Supervisors approved the total CHIP fund expenditure of $4,865,429 in the DPH FY 2000-01 budget. The actual amount of $4,826,945 allocated by the State in FY 2000-01 is $38,484, or approximately 0.8 percent, less than the budgeted amount of $4,865,429. Mr. Leong states that the reduction in the State allocation of CHIP funds resulted from changes in the California FY 2000-01 budget that diverted Tobacco Tax funds away from the CHIP-funded County services to fund other State health programs. Mr. Leong advises that this change in the CHIP allocation to the County will be offset by a change in the amount budgeted for CHIP programs and will not result in an increased General Fund contribution.

Recommendation: Approve the proposed resolution.

County of San Francisco

2000-01 Description of Proposed Expenditure of CHIP/RHS Program Funds

HOSPITAL SERVICES FUND DETAIL SHEET

COUNTY HOSPITAL FUNDS

Revenue

County Hospital Allocation	$ 3,782,498
Interest Carryover from Prior Year	$
Projected Interest for FY 2000-01	$
Total	$ 3,782,498

Appropriations for Services by Budget Unit

Budget Unit #	Title	
HGHCHIP-SVCS	SFGH	3,253,866

Appropriations for Administrative Costs by Budget Unit

Budget Unit #	Title	
HCHCHIPADMIN	CHS	369,076
HCHCHIPADMIN	CHS (overhead)	53,205

Appropriations for CHDP Treatment Services by Budget Unit

Budget Unit #	Title	
HGHCHIP-SVCS	SFGH	106,351

Total $ 3,782,498

Unexpended interest will be returned to the State unless legislation extends the CHIP/RHS funding.

County of San Francisco

2000-01 Description of Proposed Expenditure of CHIP/RHS Program Funds

HOSPITAL SERVICES FUND DETAIL SHEET

NONCOUNTY HOSPITAL FORMULA FUNDS

<u>Revenue</u>

Noncounty Hospital Formula Allocation	$ 150,435
Interest Carryover from Prior Year	$
Projected Interest for FY 2000-01	$
Total	$ 150,435

<u>Appropriations for Services by Budget Unit</u>

Budget Unit #	Title	
HCHCHIP-SVCS	Medical Svcs. Cts.	150,435
Total		$ 150,435

Unexpended interest will be returned to the State unless legislation extends the CHIP/RHS funding.

County of San Francisco

2000-01 Description of Proposed Expenditure of CHIP/RHS Program Funds

HOSPITAL SERVICES FUND DETAIL SHEET

NONCOUNTY HOSPITAL DISCRETIONARY FUNDS

Revenue

Noncounty Hospital Discretionary Allocation	$ 150,435
Interest Carryover from Prior Year	$
Projected Interest for FY 2000-01	$
Total	$ 150,435

Appropriations for Services by Budget Unit

Budget Unit #	Title	
HCHCHIP-SVCS	Medical Svcs. Cts.	133,887

Appropriations for Administrative Costs by Budget Unit

Budget Unit #	Title	
HCHCHIP-SVCS	Professional Svcs.	16,548

Appropriations for CHDP Treatment Services by Budget Unit

Budget Unit #	Title	

Total $ 150,435

Unexpended interest will be returned to the State unless legislation extends the CHIP/RHS funding.

County of San Francisco

2000-01 Description of Proposed Expenditure of CHIP/RHS Program Funds

PHYSICIAN SERVICES FUND DETAIL SHEET

PHYSICIAN SERVICES - EMERGENCY MEDICAL SERVICES (EMS) FUNDS

Revenue

Physician Services - EMS Allocation	$ 111,030
Interest Carryover from Prior Year	$
Projected Interest for FY 2000-01	$ -
Total	$ 111,030

Appropriations for Services by Budget Unit

Budget Unit #HCHCHIP-SVCS	Title Medical Svcs. Cts.	99,927
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	
Budget Unit #	Title	

Appropriations for Administrative Costs by Budget Unit (not to exceed 10% of the Physician Services Account)

Budget Unit # HCHCHIP-SVCS	Title Professional Svcs.	11,103
Budget Unit #	Title	
Total		$ 111,030

Unexpended interest will be returned to the State unless legislation extends the CHIP/RHS funding.

County of San Francisco

2000-01 Description of Proposed Expenditure of CHIP/RHS Program Funds

PHYSICIAN SERVICES FUND DETAIL SHEET

PHYSICIAN SERVICES - NEW CONTRACT FUNDS

Revenue

Physician Services - New Contract Allocation .... $ 111,030

(Not to exceed 50% of the total Physician's Services Account on Table 1 for CHIP counties)

Interest Carryover from Prior Year .... $ ______

Projected Interest for FY 2000-01 .... $ ______

Total .... $ 111,030

Appropriations for Obstetric Services by Budget Unit

Budget Unit #	Title	Amount

Appropriations for Pediatric Services by Budget Unit

Budget Unit #	Title	Amount

Appropriations for Emergency Services by Budget Unit

Budget Unit #	Title	Amount
HCHCHIP-SVCS	Medical Svcs. Cts.	11,781

Appropriations for CHDP Treatment Services by Budget Unit

Budget Unit #	Title	Amount
HCHCHIP-SVCS	Medical Svcs. Cts.	88,146

Appropriations for Administrative Costs by Budget Unit

Budget Unit #	Title	Amount
HCHCHIP-SVCS	Professional Svcs.	11,103

Total .... $ 111,030

Unexpended interest will be returned to the State unless legislation extends the CHIP/RHS funding.

County of San Francisco

2000-01 Description of Proposed Expenditure of CHIP/RHS Program Funds

OTHER HEALTH SERVICES FUND DETAIL SHEET

Revenue

Other Health Services Allocation	$ 521,517
Interest Carryover from Prior Year	$
Projected Interest for FY 2000-01	$
Total	$ 521,517

Appropriations for Services by Budget Unit

Budget Unit #	Title	Amount
HCHCHIP-SVCS	SFGH	362,145

Appropriations for Administrative Costs by Budget Unit

Budget Unit #	Title	Amount
HCHCHIP-SVCS	Professional Svcs.	101,043
HCHCHIP-ADMIN	CHS (overhead)	7,336
HCHCHIP-ADMIN	CHS	50,887

Appropriations for Equipment by Budget Unit

Budget Unit #	Title	Amount

Appropriations for CHDP Treatment Services by Budget Unit

Budget Unit #	Title	Amount
HGHCHIP-SVCS	SFGH	106

Total $ 521,517

Unexpended interest will be returned to the State unless legislation extends CHIP/RHS funding.

Item 12 - File 00-1603

Note: This item was continued by the Finance and Labor Committee meeting of September 27, 2000.

Department: Airport

Item: Ordinance authorizing the Airport Commission to approve the continuation of a contract with the Shuttleport/DAJA SFO Joint Venture to operate the Airport Curbside Management Program for up to four additional one year options commencing November 15, 2000.

Contract Term: The first year extension option would extend the subject contract with the Shuttleport/DAJA[1] SFO Joint Venture (the Joint Venture) from November 15, 2000 to November 14, 2001 (12 months). If the three additional one year extension options are approved by the Airport Commission in the future, the subject contract would be extended to November 14, 2004. The original contract did not require Board of Supervisors approval. However, approval of this one year extension option increases the total contract cost over subject contract's first two years to more than $10,000,000, which requires Board of Supervisors approval under the Charter. Approval of future one year extension options would not be subject to further Board of Supervisors approval under the subject ordinance.

Amount: Projected to be $6,872,885, and not to exceed $6,875,000, for the November 15, 2000 to November 14, 2001 period. $6,872,885 is an approximately 16.7 percent increase over the $5,889,100 contract amount for the previous 12 month November 15, 1999 to November 14, 2000 contractual period.

The budget for the November 15, 2000 to November 14, 2001 period, compared to the previous twelve month contractual period, is shown on the following page.

[1] DAJA, Inc. is a registered MBE/WBE firm which is a 40 percent joint venture partner.

Project Cost Summary	Year One Budget	Year Two Budget	Increase / (Decrease)	Percent Increase
Project Team Staff Labor	$343,080	$371,830	$28,750	8.4 %
Project Team Staff Labor Benefits	76,334	81,610	5,276	6.9 %
Operations Staff Labor	2,548,142	3,079,127	530,985	20.8 %
Operations Staff Benefits	711,074	1,037,966	326,892	46.0 %
SuperShuttle Subcontract(1)	465,000	478,950	13,950	3.0 %
Lorrie's Travel and Tours Subcontract	385,000	396,550	11,550	3.0 %
Annual Support Services (2)	450,030	525,209	75,179	16.7 %
Equipment Purchase	58,100	7,578	(50,522)	(87.0 %)
Scheduled Annual Operating Costs	358,659	317,914	(40,745)	(11.4 %)
Total Operating Cost	5,395,419	6,296,734	901,315	16.7 %
Fee(3)	493,681	576,151	82,470	16.7 %
TOTAL CONTRACT COST	$5,889,100	$6,872,885	$983,785	16.7 %

Notes:

(1) Subcontracts: The Joint Venture has subcontracted with Lorrie's Travel and Tours and SuperShuttle to operate portions of the door-to-door van curb coordination.

(2) Annual Support Services: These comprise fees and costs for Controller services, external auditors, legal advisors, occupational safety and health services, human resources services, environmental services, financing costs, information services, operational support services, risk management, labor relations, and logistics and engineering support services. In Years One and Two, these were calculated at approximately 8.3 percent of the total operating cost excluding profit.

(3) Fee: Under the terms of the subject contract, the profit margin for the Joint Venture is calculated at approximately 9.1 percent of the total operating cost in Years One and Two.

Source of Funds: Airport revenues generated by ground transportation operators which pay fees to operate on Airport premises. Attachment I, provided by Mr. Dan Wong of the Airport, identifies the sources of the fees which will be paid to the Airport by ground transportation operators between November 15, 2000, and November 14, 2001 and used to fund the Airport Curbside Management Program. According to Mr. Wong, although the Year Two contract budget is projected to be $6,872,885, only $5,888,000 in ground transportation operator fee revenue (which is equivalent to the approximate budgeted funding for Year One of the contract) would need to be allocated to the subject Year Two contract. According to Mr. Wong, this is

because the phased implementation of the Airport Curbside Management Program during Year One (see "Description" below) is projected to result in approximately $1,300,000 of under-expenditure against the Year One budget which had been determined on the basis of Joint Venture provision of full program services from Day One of the contract. The unexpended funds can be carried forward to fund the balance of the projected Year Two budget of $6,872,885.

Description: On September 21, 1999, the Airport Commission awarded a $5,889,100 contract for the first time to operate the Airport Curbside Management Program at all Airport terminals, including the new International Terminal. The Airport Commission awarded the contract to the Joint Venture for one year effective November 15, 1999, extendable for up to four additional one-year extension options. As previously noted, since the contract was for less than $10,000,000, the original contract was not subject to Board of Supervisors approval.

The Airport Curbside Management Program is designed to improve the quality of the Airport's ground transportation services. The program consolidates:

- The Airport's taxi dispatching functions previously operated by AMPCO System Parking. The Joint Venture took over the Airport's taxi dispatching functions on March 1, 2000.
- The Airport's door-to-door van curb coordination functions operated by three separate operating groups, Lorrie's Travel and Tours, SuperShuttle, and Transportation Coordinators of America. The Joint Venture took over the door-to-door van curb coordination functions on April 15, 2000.
- Customer services for the Airport's private scheduled transit and limousine operators. This is a new function required by the subject contract. The Joint Venture commenced private scheduled transit and limousine customer service operations on May 27, 2000. For the Airport's private scheduled transit operators, Joint Venture staff monitor schedule adherence and transit activities at the curb, answer customer questions, and measure ridership. For

limousine operators, Joint Venture staff monitor the loading zones, answer customer questions, and check waybills[2].

In addition, Mr. Wong states that all Airport Curbside Management Program employees, whether line, supervisory, or management staff, are required to report incidents of solicitation and other illegal activity at the Airport to Airport staff and the San Francisco Police Department.

To perform these functions, the Joint Venture employs approximately 110 staff. Under the subject contract extension, all employees would be provided with medical benefits and remunerated at or above the levels required by the City's Minimum Compensation Ordinance (see Comment No. 2).

As previously noted, the Airport approved a contract for its Airport Curbside Management Program on September 21, 1999. Attachment II, provided by Mr. Wong, explains what Airport ground transportation deficiencies the subject contract is intended to address since such a contract had never previously been implemented at the Airport. According to Mr. Wong, based on the performance of services for which the Joint Venture has progressively assumed responsibility over the last seven months, the Airport Commission concluded that the Airport Curbside Management Program has improved Airport ground transportation providers' service and better managed the Airport's limited curbside loading zones in the following ways:

- Increased monitoring of all ground transportation functions has provided Airport staff and ground transportation operators with additional information to ensure that ground transportation services conform to the terms of each operator's Airport Operating Permit.

[2] According to Mr. Wong, a waybill is a document which limousine operators are required to complete for each pre-arranged pick-up, as required by the California Public Utilities Commission (for audit purposes) and the Airport (for verification of pre-arranged pick-ups and drop-offs).

- Increased monitoring has reduced the potential for illegal solicitation activities at the various loading zones.
- Increased staffing of individual loading zones has increased throughput of ground transportation vehicles by better managing traffic volumes.
- Increased customer service means that the traveling public can receive answers to ground transportation and other Airport questions from staff who are independent of the ground transportation operators, and late night arriving passengers can access transportation information more easily.

On August 29, 2000, the Airport Commission exercised the first one year extension option to allow the Joint Venture to continue operating the Airport Curbside Management Program for a second year effective November 15, 2000. Approval of this one year extension increases the total contract cost over its first two years to $12,761,985. Since that amount is more than $10,000,000, Board of Supervisors approval is required under the Charter.

Comments:

1. The initial contract was awarded to the Joint Venture after a Request for Proposals (RFP) process which is described in the attached memorandum from Mr. Wong (Attachment III). According to Mr. Wong, the RFP provides for the longer term expansion of the Airport Curbside Management Program to include potential creation and staffing of passenger waiting lounges and Airport terminal ground transportation ticketing operations.

2. According to Mr. Wong, the $983,785, or approximately 16.7 percent, increase in the contract cost between Year One and Year Two reflects the following changes:

- Staffing enhancements and pay raises, including pay raises to comply with the Minimum Compensation Ordinance, increased by $559,735. According to Mr. Wong, of this $559,735 increase, $42,640 is required to comply with the Minimum Compensation Ordinance

while other pay raises are due to collective bargaining agreements.

- Employee benefits increased by $332,168.
- Equipment leases and purchases, and project costs reduced by $91,267.
- Service subcontracts increased by $25,500.
- Annual support services increased by $75,179.
- Under the terms of the contract, the fee amount increased by $82,470.

A break-down of the above figures is contained in Attachment IV.

However, the Budget Analyst notes that the Program's projected Year One under-expenditure of $1,300,000 would reduce the Year One budget of $5,889,100 to $4,589,100. The Year Two budget of $6,872,885 would therefore represent an approximately 49.8 percent increase over Year One projected expenditures. This is significantly greater than the 16.7 percent increase explained above. According to Mr. Wong, the balance of the increase (a projected $1,300,000) is the result of the expenditure difference between the phased implementation of services in Year One and the provision of the full range of services for the entire Year Two period.

3. When the subject resolution was heard by the Finance and Labor Committee at its September 27, 2000 meeting, the Budget Analyst noted that the Airport was seeking approval to extend the subject contract by up to four years without the benefit of performance measures which would assess the impact of the Joint Venture on ground transportation services at the Airport.

In response to that concern, Mr. Wong states that the City's contract with the Joint Venture is being amended to include the following nine performance measures developed by the Joint Venture for the second year of the contract. According to Mr. Wong, these performance measures would be reviewed periodically and changed as conditions warrant. The first five performance measures relate to Joint Venture financial and staffing management and would not, therefore, directly measure the impact of the Airport Curbside Management Program

services. However, the last four performance measures would directly measure the actual services provided to the traveling public.

Joint Venture financial and staffing management

(1) Operate within the maximum budget approved by the Airport Commission, with budget evaluations prepared jointly by Airport and Joint Venture staff on a quarterly basis.
(2) Reduce employee turnover in the door-to-door van, private scheduled transit, and limousine elements of the Airport Curbside Management Program by 10 percent from the current 50 percent to 40 percent.
(3) Reduce employee overtime due to absenteeism or unfilled positions to no more than 5 percent of payroll expenditures for all classifications. (According to Mr. Wong, the transportation industry average is 7 percent, and the Joint Venture has experienced up to 9 percent employee overtime during the initial implementation phases of the Airport Curbside Management Program in FY 1999-2000.)
(4) Reduce worker compensation costs by achieving a goal of 1.7 lost time accidents per 100,000 paid employee hours. According to Mr. Wong, the current rate is approximately 1.8 lost time accidents per 100,000 paid employee hours. Therefore, a reduction to 1.7 lost time accidents per 100,000 paid employee hours would be an improvement of approximately 5.6 percent.
(5) Staff all positions within 30 days of posting job announcements.

Services provided to the traveling public

(6) Investigate, report on, and respond in writing to all customer complaints within one week of receipt of such complaints.
(7) Ensure that taxicab dispatchers approach all patrons within one minute of accessing the taxicab loading zones, with taxicab service to be provided to patrons within 10 minutes.
(8) Ensure that door-to-door van curb coordinators approach all patrons within one minute of accessing the door-to-door van loading zones, with door-to-door

van service to be provided to patrons within 15 minutes.

(9) Ensure that the private scheduled transit and limousine loading zone monitors provide services to patrons 100 percent in accordance with published schedules (in the case of the Airport's private scheduled transit operators) and ensure sole usage of limousine loading zones by prearranged limousine customers. Mr. Wong notes that the Airport Curbside Management Program provides services to the Airport's private scheduled transit operators, not to public transit operators such as SamTrans.

The Budget Analyst has requested a memorandum from the Airport explaining how performance measures 2, 3, 4, and 5 can be enforced and what penalties would be applied by the Airport under the contract if these performance measures are not met. At the time of issuing this report, the Airport had not provided the requested information.

According to Mr. Wong, the revised contract document, which will include the above performance measures, is currently being reviewed by the City Attorney's Office. Mr. Peter Nardoza of the Airport states that the amended contract, incorporating the performance measures described in Comment No. 3 above, has not yet been approved by the Airport Commission. The Budget Analyst recommends, therefore, that Board of Supervisors consideration of the subject contract extension be continued pending approval of the amended contract by the Airport Commission.

4. In addition to assessing the Joint Venture's performance against the above nine performance measures, Mr. Wong notes the following points:

- The Airport has the option not to exercise any of the three annual contract extension options which would remain should the Joint Venture's performance be deemed inadequate against the above performance measures. However, as previously noted, once the Board of Supervisors approves the subject ordinance,

the three annual contract extension options would not be subject to Board of Supervisors approval.

- The Airport also has the right, at its sole discretion, to terminate the subject contract for convenience at any time.
- The Program is funded through the fees paid by the Airport's ground transportation operators. Therefore, according to Mr. Wong, ground transportation operators have a strong vested interest in ensuring that the Joint Venture actually improves the Airport's handling of ground transportation services because the operators are the funders of the Joint Venture's services.

5. As the subject ordinance proposes to extend the Joint Venture contract by one year from November 15, 2000, the subject ordinance should be amended for retroactivity.

6. According to Mr. Wong, San Francisco International Airport is the first and, so far, the only airport in the United States to design and operate a program comparable to the proposed Airport Curbside Management Program. According to Mr. Wong, Atlanta, Los Angeles, and Phoenix are considering implementing comparable programs at their airports, but such programs have not yet been implemented at any United States airports.

7. If approved, the total estimated amount of the City's contract with the Joint Venture over a full five-year term would be at least $32,080,640 assuming that the projected Year 2 expenditure of $6,872,885 is repeated for Years 3 through 5.

Recommendations:

1. In accordance with Comment No. 5 above, amend the proposed ordinance for retroactivity.

2. Continue the proposed ordinance as amended until the Airport Commission has approved an amended contract which incorporates the proposed performance measures described in Comment No. 3 above.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

Attachment I

Curbside Mngt Prog. Cost Allocation*:		FY 00/01
	Share of Trips	$5,889,000
Taxi	48.8%	$2,873,000
Limo	26.3%	$1,550,000
Scheduled Buses	4.3%	$253,000
On-Demand Vans	20.6%	$1,212,000
*Based on # of Trips	100.0%	$5,888,000

Attachment II

SFO

San Francisco International Airport

Fax

P.O.Box 8097
San Francisco, CA 94128
www.flysfo.com

Date	
September 22, 2000	
No of Pages	
1	
To	**From**
Alan Gibson, Budget Analyst's Office	Dan L. Wong, Senior Transportation Planner
Fax Number	**Fax Number**
415.252.0461	650.821.6508
Tel Number	**Tel Number**
415.554.7642 x233	650.821.6512

Comments

In regards to specific issues that led to the Airport to create the Curbside Management Program, they include but are not limited to:

1. Complaints from the taxicab drivers regarding the existing taxicab service. Specifically, they drivers wanted a more professional transportation company experienced in taxicab dispatching to conduct the operation rather than the Airport's current public parking operator.

2. Complaints from various door-to-door van operators regarding alleged dispatching irregularities.

3. Complaints from various door-to-door van operators regarding the apparent lack of consistant training of door-to-door van curb coordinators.

4. Complaints from the public as to both the quality of the information given by the various dispatchers and curb coordinators and their customer service demeanor.

5. Apparent lapses in service being provided by scheduled transit operators on their Airport-approved schedules.

6. The need to further improve the percentage of air passengers using ground transportation services to better manage increasing passenger volumes through the Airport.

7. The need to further improve efficiencies in the various ground transportation loading zones by expediting passenger pickups.

8. Increasing numbers of operators illegally soliciting passengers at or near ground transportation loading zones.

9. The need to provide quality and comprehensive ground transportation service during late night hours for our customers on delayed arriving flights.

Attachment III

SFO

San Francisco International Airport

Fax

P.O. Box 8097
San Francisco, CA 94128
www.flysfo.com

Date	
September 18, 2000	
No of Pages	
1	
To	**From**
Alan Gibson, Budget Analyst's Office	Dan L. Wong, Senior Transportation Planner
Fax Number	**Fax Number**
415.252.0461	650.821.6508
Tel Number	**Tel Number**
415.554.7642 x233	650.821.6512

Comments

The following is a brief synopsis of the history of the Curbside Management Program selection process. If you need additional information, please contact me.

September & October 1998 - Met with the Airport's ground transportation operators to develop a multi-stage deployment of a comprehensive curbside management program encompassing door-to-door vans, limousines, scheduled transit and taxicab operations. The original concept was recommended by an Airport ground transportation consultant.

December 1998 - Airport Commission approved Resolution #98-0321 authorizing the Airport to issue an RFP for a contractor to operate the Airport's Curbside Management Program.

March 12, 1999 - Airport staff issued the RFP.

April 7, 1999 - Pre-Proposal Conference conducted.

May 14, 1999 - 3 proposals were submitted by the due date (i.e., CDSNet, Inc., Polans/TTMC Joint Venture, and ShuttlePort/DAJA Joint Venture).

June 7, 1999 - Review panel conducted oral interview panels after reviewing the written submittals of all three proposers. Scores submitted to HRC for MBE/WBE rating discounts.

June 25, 1999 - HRC submitted to Airport final scores including MBE/WBE rating discounts. ShuttlePort/DAJA was the highest scorer with a cumulative score of 92.2 out of 100.

July 13, 1999 - Airport Commission approved Resolution #99-0233 authorizing the Airport Director to negotiate a contract with ShuttlePort/DAJA to operate the Airport's Curbside Management Program.

September 21, 1999 - Airport Commission approved Resolution #99-0323 to issue a contract to operate the Airport's Curbside Management Program to ShuttlePort/DAJA.

November 1, 1999 - Civil Service Commission approved said contract in Notice of Action for Contract #4079-99/00.

November 15, 1999 - Contract with ShuttlePort/DAJA became effective for one year with up to four additional one-year options.

cc: Edwin Leung/Alice Sgourakis/Ilze Rozenbergs/Chron/File 15S
Peter Nardoza/Eddie Angeles

ShuttlePort/DAJA/SFO
San Francisco International Airport
P.O. Box 250489
San Francisco, CA 94125-0489
(650) 821-2701
Fax (650) 821-2703

To: Dan Wong

From: Daniel Barz

Date: September 19, 2000

Re: Budget Increase Analysis

As requested, I have put together a page-by-page analysis of all budget increases from year one of the contract to year two. If you have any questions on these items, please call.

Page 1 Management Staffing:

HR/Training Director changed to Assistant GM,	$22,100
Staff Salary Increases (2%)	$ 6,650

Page 2 Operations Staffing:

Curbside Managers

1. Added one position to maintain 24 hour coverage	$45,510
2. Salary increases	$5,463

Taxi Supervisors

1. Added two positions to cover new IT 10 hours daily	$68,457
2. Wage increases	$21,353

Taxi Dispatchers

1. Added 7 positions for personnel not covered in original budget – Non-SF and Delm	$208,615
2. Added 4 positions for new IT coverage	$119,208
3. Wage increases	$24,440

Limo/Van Loading Zone Supervisors

1. Wage increases $12,730

Limo & Loading Zone Monitors

1. Reduction of hours for new IT ($17,432)

2. Wage increases to meet Living Wage requirements $42,540

Page 3 Management Benefits:

1. Health insurance increase 5% $1,841
2. Other benefits increase $3,435

Page 4 Operations Benefits:

1. Taxi Dispatch

a. Health insurance increase 5% $21,925
b. Retirement plan increase $26,312
c. Workers' Comp insurance – 7.3% rate $92,927
d. Other – FICA, FUTA, SUTA $31,711

2. Taxi Supervisors

a. Health insurance increase 5% $14,421
b. Retirement plan increase $4,784
c. Workers' Comp Insurance – 7.3% rate $16,824
d. Other – FICA, FUTA, SUTA $7,737

Page 5 Operations Benefits:

1. Limo/Van Loading Zone Monitors

a. Health insurance - increase 67% (higher cost than original budget $26,220
b. Other – FICA, FUTA, SUTA $1,511

2. Limo/Van Loading Zone Supervisors

a. Health insurance – increase 67% (higher cost than original budget $7,491

b. Other – FICA, FUTA, SUTA $1,140

Page 6 Operations Benefits – Curbside Managers:	
1. Health insurance – 5% increase	$7,364
2. Other – FICA, FUTA, SUTA	$6,524
Page 12 Equipment Lease/Purchase	
Decrease from year one	($50,522)
Page 13 Other Project Costs:	
Decrease from year one	($40,745)
Page 14 Pricing Summary:	
1. Subcontracts to Supershuttle & Lorries – 5% increase	$25,500
2. Annual Support Services – same 9.1% as year one	$75,179
3. Profit – same 9.15% as year one	$82,470

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETING

FINANCE AND LABOR COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Finance and Labor Committee scheduled for Wednesday, November 22, 2000, at 10:00 a.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

FINANCE AND LABOR COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

41 Library
100 Larkin Street Govt Information Center

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA
94102-4689

Wednesday, November 29, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:03 a.m.

001958 **[Government funding, Public Utilities Commission, for water pollution control plant remediation projects]**

Ordinance appropriating a total of $5,000,000 from the Mission Bay project and the San Francisco Clean Water Department fund balance to fund the construction of odor control remediation projects at the southeast water pollution control plant, for the Public Utilities Commission, for fiscal year 2000-01. (Controller)

(Fiscal impact.)

11/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Bill Berry, Public Utilities Commission. Amended to place $5,000,000 on reserve; new title; and on page 2, lines 4 and 7, change project budget amounts to $2,500,000.

AMENDED.

Ordinance appropriating a total of $5,000,000 from the Mission Bay project and the San Francisco Clean Water Department fund balance to fund the construction of odor control remediation projects at the southeast water pollution control plant, for the Public Utilities Commission, for fiscal year 2000-01; placing $5,000,000 on reserve. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001959 **[Government funding, Airport capital improvement projects]**

Supervisor Newsom

Ordinance appropriating $671,165,000 of San Francisco International Airport infrastructure Bond proceeds to fund various capital improvement projects for fiscal year 2000-2001. (Controller)

11/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

002014 [Contracting out Airport parking facility management services]

Resolution approving to exercise first one-year option extending the term of ABC Parking, Inc. operating agreement. (Airport Commission)

11/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Peter Nardoza, Airport Commission.
Amended to provide retroactivity; new title.

AMENDED.

Resolution approving retroactively to exercise first one-year option extending the term of ABC Parking, Inc. operating agreement. (Airport Commission)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001960 [Government funding, Airport capital improvement projects]

Supervisor Newsom

Ordinance appropriating $39,690,612 of various Bond fund balances to capital improvement projects at the Airport Commission for fiscal year 2000-2001. (Controller)

(Fiscal impact.)

11/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Peter Nardoza, Airport Commission.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

001995 [Establishing a budget for the San Francisco Local Agency Formation Commission (LAFCo) for fiscal year 2000-01]

Ordinance appropriating $754,250 of the General Fund Reserve to fund the adoption of the San Francisco Local Agency Formation Commission (LAFCo) budget in accordance with the Government Code Section 56381, for the Board of Supervisors for fiscal year 2000-01. (Clerk of the Board)

(Fiscal impact.)

11/6/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Harvey Rose, Budget Analyst; Supervisor Yee; Richard Ow; Ernestine Weiss.
Amended to place $400,000 on reserve; new title.

AMENDED.

Ordinance appropriating $754,250 of the General Fund Reserve to fund the adoption of the San Francisco Local Agency Formation Commission (LAFCo) budget in accordance with the Government Code Section 56381, for the Board of Supervisors for fiscal year 2000-01; placing $400,000 on reserve. (Clerk of the Board)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

002010 [Grant funds from the State Department of Public Health for mentally ill integrated services]
Supervisors Leno, Newsom

Resolution authorizing the Department of Public Health, Community Mental Health Services, to accept retroactively and expend AB2034 grant funds of a total of $3,961,167 from the State Department of Mental Health for integrated services for seriously mentally ill and dual/multiply diagnosed adults; providing for ratification of action previously taken. (Public Health Department)

11/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Department requests this item be calendared at the November 29, 2000 meeting.

11/15/00, SUBSTITUTED.

11/15/00, ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Louise Rogers, Department of Public Health; Richard Robinson, McMillan Drop-In Center.
Amended to place $490,667 on reserve; new title.

AMENDED.

Resolution authorizing the Department of Public Health, Community Mental Health Services, to accept retroactively and expend AB2034 grant funds of a total of $3,961,167 from the State Department of Mental Health for integrated services for seriously mentally ill and dual/multiply diagnosed adults; providing for ratification of action previously taken; placing $490,667 on reserve. (Public Health Department)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

001895 [Reserved Funds, Department of the Environment]

Hearing to consider release of reserved funds, Department of the Environment (Fiscal year 2000-2001 Budget), in the amount of $146,244 to implement the department's energy conservation programs. (Environment)

10/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 10:38 a.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD CF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

November 22, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: November 29, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-1958

Department: Public Utilities Commission (PUC)

Item: Ordinance appropriating a total of $5,000,000, including $2,500,000 from the Mission Bay Project and $2,500,000 from the Clean Water Department's unappropiated fund balance, to fund the construction of odor control remediation projects at the Southeast Water Pollution Control Plan, for the Public Utilities Commission, for Fiscal Year 2000-01.

Amount: $5,000,000

Source of Funds:

Mission Bay Project	$2,500,000
Clean Water Department	
Unappropiated Fund Balance	2,500,000
	$5,000,000

Description: In 1998, the Catellus Development Corporation ("Catellus"), the main developer in the Mission Bay Project (discussed below), agreed to pay to the City a total of $5,000,000 for odor remediation projects at the Southeast Water Pollution Control Plant. Catellus agreed to pay this $5,000,000 in two installments of $2,500,000 each, paid one year apart from one another. The proposed ordinance would approve a

supplemental appropriation for the first $2,500,000 payment from Catellus. Since the second payment by Catellus will not be made until November of 2001, the proposed ordinance would approve an additional $2,500,000 from the Clean Water Department's unappropiated fund balance to allow the PUC to begin the odor mitigation project immediately. This $2,500,000 from the Clean Water Department would be reimbursed with Catellus' second payment in November of 2001.

The Board of Supervisors approved the contribution of $5,000,000 from Catellus in 1998 as part of the Board of Supervisors approval of the Mission Bay Project. The Mission Bay Project plans to develop approximately 303 acres of land located generally along the Bay, south of Market Street, and is managed primarily by Catellus, under the supervision of the City and its Redevelopment Agency. The 303 acres of the Mission Bay Project are divided into two parts, 65 acres in "Mission Bay North" and 238 acres in "Mission Bay South" (the "Plan Areas"). The North and South Plan Areas are separated by the Mission Creek Channel.

Catellus agreed to contribute $5,000,000 to the City to address existing sewage odor associated with the Southeast Water Pollution Control Plant under: (1) the North and South Owner Participation Agreements between Catellus and the Redevelopment Agency, and (2) the North and South Interagency Cooperation Agreements for the Mission Bay Project between the City, the Redevelopment Agency, and Catellus, as a third party. Mr. Jonathon Loiacono of the PUC advises that the payment from Catellus to the City was intended to help compensate for the increased demand that the Mission Bay Project would place on the Southeast Water Pollution Control Plant. According to Mr. Loiacono, Catellus agreed to make two separate payments to the City, with the first of $2,500,000 to be made 10 days after Catellus received final approval for its first building permit (in the North or the South Plan Area) and the second payment of $2,500,000 to be made one year after the date Catellus received that final approval for its first building permit. Ms. Amy Neches of the Redevelopment Agency reports that Catellus will make its first payment to the City of $2,500,000 by the November 29, 2000 Finance and Labor

Committee meeting. Catellus is expected to make its second $2,500,000 payment to the City in November of 2001, according to Ms. Neches. Therefore, the proposed ordinance would appropriate the first payment of $2,500,000 from Catellus and an additional $2,500,000 from the Clean Water Department's unappropiated fund balance, which would be reimbursed by Catellus in November of 2001 for the proposed capital projects.

According to Mr. Loiacono, the subject $5,000,000 in capital improvement appropriation would be to use fund the following two odor remediation projects at the Southeast Water Pollution Control Plant, at a cost of $2,500,000 each.

(1) The Interim Gravity Belt Thickener Project to replace the existing open tank dissolved air flotation thickening facility, which processes solid waste. According to Mr. Loiacono, building the proposed enclosed interim gravity belt sludge thickening facility would reduce odors. Mr. Loiacono advises that, in addition to the subject Interim Gravity Belt Thickener Project, the PUC plans to begin building a new, permanent sludge thickening facility in 2005 as part of the PUC's long-range Capital and Financial Plan.

(2) A Sludge Dewatering and Loadout Facility Odor Control Improvements Project would also be constructed to reduce odors emitted by the Southeast Water Pollution Control Plant by upgrading the ventilation and odor control systems in the buildings that house these facilities.

Both projects are described further in Attachment I, provided by the PUC, and were identified in the Southeast Water Pollution Control Plant Odor Control Master Plan, completed in August of 1998, as necessary to reduce odors in the surrounding neighborhoods.

Budget: Attachments II and III, provided by the PUC, contain budget details for the proposed $5,000,000 supplemental appropriation. Attachment II contains a budget for the Interim Gravity Belt Thickener Project, including the $2,500,000 supplemental appropriation for construction costs and an additional $801,400 in project management and design costs, for a total estimated project cost of $3,301,400. Attachment III contains a budget for the Sludge Dewatering and Loadout Facility Odor Control Improvements Project, including the $2,500,000 supplemental appropriation for construction costs and an additional $716,300 for project management and design costs, for a total estimated project costs of $3,216,300. Mr. Loiacono advises that the design and project management costs for the two projects will be funded by the Clean Water Department's Repair and Replacement Fund and operating budget for salaries previously appropriated by the Board of Supervisors.

Comments: 1. Mr. Loiacono advises that that the PUC plans to undergo a separate competitive bidding process for each of the proposed projects in Spring of 2001 and select construction firms by the Fall of 2001. The PUC anticipates completing the Interim Gravity Belt Thickener Project by the Fall of 2002 and the Sludge Dewatering and Loadout Facility Odor Control Improvements Project by the Winter of 2002.

2. According to Mr. Loiacono, the PUC has already begun the planning and design phase for each of the two proposed odor mitigation projects. As shown in Attachments II and III, in addition to the proposed $5,000,000 supplemental appropriation for construction, Mr. Loiacono reports that the PUC has budgeted $30,800 for planning and $395,600 for design of the Interim Gravity Belt Thickener and $391,300 for design of the Sludge Dewatering and Loadout Facility Odor Control Improvements Project. Mr. Loiacono advises that the planning and design for both projects will be completed on an inhouse basis by the PUC and DPW, and are funded by the Clean Water Department's Repair and Replacement Fund and operating budget for salaries previously appropriated by the Board of Supervisors.

3. The Budget Analyst notes that the PUC has not yet undergone a competitive bidding process for either of the two odor mitigation projects funded with the proposed

$5,000,000 supplemental appropriation. Therefore the Budget Analyst recommends that this entire $5,000,000 supplemental appropriation request be placed on reserve by the Finance and Labor Committee until the PUC has completed a competitive bidding process, and until the PUC can provide the Finance and Labor Committee with a detailed budget of construction costs based upon the competitive bidding process.

4. As shown in the budget contained in Attachments II and III, the construction costs for each of the two proposed odor remediation projects (the Interim Gravity Belt Thickener Project and the Sludge Dewatering and Loadout Facility Odor Control Improvements Project) are budgeted to cost approximately $2,500,000 each. However, the subject ordinance incorrectly states that the Interim Gravity Belt Thickener Project will be allocated $4,000,000 and the Sludge Dewatering and Loadout Facility Odor Control Improvements Project will be allocated $1,000,000, for the total of $5,000,000. Therefore, the proposed ordinance should be amended to include the correct project budget amounts of $2,500,000 for each of the proposed projects.

5. As stated previously, Mr. Loiacono advises that $2,500,000 of the proposed $5,000,000 supplemental appropriation would be funded from the Clean Water Department unappropiated fund balance until Catellus reimburses the City for the same amount, based on the Owner Particpation Agreements between the Redevelopment Agency and Catellus and the Interagency Cooperation Agreements between the City, the Redevelopment Agency and Catellus, as a third party. Ms. Neches advises that the City expects to receive this second $2,500,000 reimbursement from Catellus in November of 2001. The PUC is requesting the subject supplemental appropriation at this time in order to begin the two projects as soon as possible, and in order to have funds appropriated to the projects before beginning the competitive bidding process. According to Mr. Carlos Jacobo, Budget Director of the PUC, the Clean Water Department expects to have an unappropiated fund balance totaling approximately $65,000,000 by the end of Fiscal Year 2000-01, which would be reduced by $2,500,000 to approximately $62,500,000 if the proposed supplemental appropriation were to be

approved. However, as noted above, Catellus will reimburse the Clean Water Department's unappropiated fund balance with a $2,500,000 payment in November of 2001, according to Ms. Neches.

6. As stated previously, Catellus agreed to make two separate payments to the City, with the first payment of $2,500,000 to be made 10 days after Catellus received final approval for its first building permit and the second payment of $2,500,000 to be made one year after the date Catellus received that final approval for its first building permit. According to Mr. Jesse Smith of the City Attorney's Office, the North and South Owner Particpation Agreements between the Redevelopment Agency and Catellus and the North and South Interagency Cooperation Agreements between the City, the Redevelopment Agency, and Catellus as a third party, legally obligate Catellus to make the two payments totaling $5,000,000 to the City by the dates described above. Mr. Smith advises that if Catellus fails to make its payments to the City, the City (and the Redevelopment Agency) would have grounds to seek legal recourse.

Recommendations:

1. Amend the proposed ordinance to include the correct project budget amounts of $2,500,000 for each of the proposed projects, instead of $4,000,000 for the Interim Gravity Belt Thickener Project and $1,000,000 for the Sludge Dewatering and Loadout Facility Odor Control Improvements Project, in accordance with Comment No. 4 above.

2. Place the entire requested $5,000,000 on reserve until the PUC: (a) completes a competitive bidding process for the two proposed construction projects, and (b) provides the Finance and Labor Committee with a detailed budget of construction costs, in accordance with Comment No. 3 above.

3. Approval the proposed $5,000,000 supplemental appropriation, as amended, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Attachment I

SFPUC

WATER
HETCH HETCHY
WATER & POWER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
Water Pollution Control Division

MEMORANDUM

TO : Emilie Neuman
Budget Analyst

DATE: November 17, 2000

FROM : Jon Loiacono
Manager, WPCPD Engineering

FILE: Cap. Proj. Mission Bay

SUBJECT : Item 6, File 00-1058 Project Descriptions

The two projects selected for funding by the Mission Bay Project are described below. The projects are two of many projects identified by Brown and Caldwell engineer's in their Southeast Water Pollution Control Plant Odor Control Master Plan; dated August 1998.

The two projects were selected based on their off site impacts, proximity to the residential neighborhood, cost availability of funding, and the significance as a mitigation to the odor problems at Southeast.

One project is to replace the open tank dissolved air floatation sludge thickeners (see illustration 1) with an enclosed gravity belt thickener facility (see illustration 2). Currently, about a half an acre of sludge is open to the atmosphere on the dissolved air floatation thickeners. This sludge has a distinct odor which is present outside of the plant boundaries and is often carried further by the wind. The proposed project is to replace these eight tanks with two mechanical thickeners that use four meter belts. The thickeners take up much less area, use less energy, and will be enclosed in a building. The air from the process area will be blown through an odor treatment device.

The second project is to enclose and upgrade the ventilation of the existing dewatering facility and sludge cake load out facility. Currently, the sludge loadout facility is open on one side with no doors. When sludge cake is loaded into a truck from the sludge storage hoppers, odor is released. The proposal is to enclose this area and provide ventilation and treatment of the odorous air. As part of this project an upgrade to the ventilation system of the dewatering facility is included.

The project breakdowns for the capital funding of $2,500,000 for the construction of each project along with the planning / design and construction management costs are given in attachments 1 for the Gravity Belt Thickener Project and attacment 2 for the Bldg. 840 / 860 project.

JL/ee
Emilieneumanfile001958 doc

City and County of San Francisco ♦ Public Utilities Commission ♦ Clean Water Enterprise

Water Pollution Control Division

Engineering

Memorandum

TO : Jon Loiacono

DATE : November 17, 2000

FROM : Linda Leong

FILE:

SUBJECT: SEWPCP Interim Gravity Belt Thickener Facility
Labor and Construction Cost Estimates

Construction Costs (attached)	$2,500,000	Catellus – Mission Bay Project
Project and Construction Management by the PUC*	375,000	Clean Water Department's Repair and Replacement Fund
Design by PUC	100,000	Clean Water Department's Operating Budget for Salaries
Design by DPW	295,600	Clean Water Department's Repair and Replacement Fund
Planning by PUC	30,800	Clean Water Department's Operating Budget for Salaries
TOTAL COSTS	$3,301,400	

*We typically would allow $375,000 (i.e., 15 percent) for Project Management, Construction Management, and Administrative services during construction.

Estimated construction cost for this project is $2.5 million. Costs are detailed below and include the following markups:

3% inflation adjustment
8.5% sales tax
10% subcontractor profits
15% General Contractor profits
10% Contingency

City and County of San Francisco ♦ Public Utilities Commission ♦ Clean Water Enterprise

Bid Item Description	Estimated Quantity	Unit	Unit Price ($)	Extension ($)
MOBILIZATION/DEMOBILIZATION (Refer to Section 01505.)	--	L.S.	--	160,000
ALLOWANCE FOR Hazardous Materials REMOVAL, Handling, TRANSPORTATION, and Disposal	--	Allowance	--	170,000
FOXBORO DCS HARDWARE & ASSOCIATED SERVICES	--	L.S.	--	40,000
Instrumentation and control work	--	L.S.	--	80,000
Paving and site drainage	--	L.S.	--	55,000
BUILDING 260	--	--	--	
Selective Demolition – Mechanical Items	--	L.S.	--	5,000
Centrifugal Pumps and VFDs for WAS Pumping System	--	L.S.	--	360,000
Miscellaneous Electrical Work	--	L.S.	--	40,000
BUILDING 780 – SECONDARY SLUDGE THICKENING FACILITY	--	--	--	
Selective Demolition – Mechanical Items	--	L.S.	--	3,000
Regenerative Desiccant Air Dryer	--	L.S.	--	9,000
NEW Connections to EXISTING Piping Systems Related to Bldgs 784 and 785	--	L.S.	--	20,000
Concrete Containment Walls in the TWAS and TUF Channels	--	L.S.	--	2,000
Miscellaneous FRP specialty items	--	L.S.	--	15,000
Miscellaneous Electrical Work	--	L.S.	--	5,000
BLDG 784 – POLYMER STORAGE, MIX AND FEED FACILITY	--	--	--	
LPO Unloading Station	--	L.S.	--	2,000
BUILDING 785 – GBT BUILDING	--	--	--	
Drainage Piping Systems for GBT Building	--	L.S.	--	15,000
Piping Systems for the Packaged GBT	--	L.S.	--	80,000
Packaged GBT Systems	--	L.S.	--	690,000
Plumbing Systems for GBT Building	--	L.S.	--	5,000
Ventilation and Odor Control Systems for GBT Building AND TWAS AND TUF CHANNELS	--	L.S.	--	125,000
odor control system sitework	--	L.S.	--	3,000
odor control system concrete pad	--	L.S.	--	18,000
Building site work	--	L.S.	--	5,000
Concrete piles	--	L.S.	--	38,000
Building concrete work	--	L.S.	--	145,000
PRE-ENGINEERED BUILDING (BLDG. 785) INCLUDING ALL BUILDING ELEMENTS	--	L.S.	--	175,000
GBT MANAGEMENT & CONTROL SYSTEM	1	EA.	80,000	80,000
Steel stairs and bollards	--	L.S.	--	15,000
STEEL FRAMING	--	L.S.	--	45,000
FRP grating	--	L.S.	--	30,000
Miscellaneous Electrical Work	--	L.S.	--	35,000
ALLOWANCE FOR MISCELLANEOUS MOTOR SUPPORTS	--	Allowance	--	5,000
CCTV AND COMMUNICATIONS	--	L.S.	--	25,000

TOTAL $2,500,000

Date: 11/20/00

Subject: Sludge Dewatering and Loadout Facility Odor Control Improvements Project
SEWPCP Bldg 840 & 860 Ventilation and Odor Control Improvements
Project Cost Breakdown

Building 860 Work			FUND	Estimate
Architectural Work				$316,529
Streets & Highways Work				$73,665
Structural Work				$437,385
Mechanical Work				$810,313
Electrical Work				$92,081
Building 840 Work				
Structural Work				$34,530
Mechanical Work				$689,457
Electrical Work				$46,040
[1.] Project Total Constuction Cost:				$2,500,000
[2.] Construction Design Support Fee (3%)			see note 1	$75,000
[3.] Construction Support Fee (BCM) (10%)			see note 1	$250,000
Design Cost	Initial MOU with DPW	Revised Fee		
Architectural	$40,000	$37,300		
Streets & Highways		$13,000		
Structural	$48,000	$22,000		
Mechanical	$116,000	$45,000		
Electrical	$20,000	$40,000		
Geotechnical Consultant Support		$10,000		
[4.] Total Design Fee Cost	$224,000	$167,300	see note 1	$391,300
Total Cost [1.] +[2.] + [3.] + [4.]				**$3,216,300**

1. Clean Water Repair and Replacement Funds

Source: Public Utilities Commission (PUC)

Item 2 - File 00-1959

Department: Airport

Item: Ordinance appropriating $671,165,000 of San Francisco International Airport Second Series Revenue Bond proceeds to fund various capital improvement projects.

Amount: $671,165,000

Source of Funds: San Francisco International Airport Second Series Revenue Bond (Airport Revenue Bonds) proceeds.

Description: The Airport has requested that this item be continued for one week, until the December 6, 2000 meeting of the Finance and Labor Committee.

Item 3 – File 00-2014

Department: Airport

Item: Resolution approving the Controller's certification that public parking management services for the San Francisco International Airport can continue to be practically performed by a private contractor at lower cost for the year commencing July 1, 2000 than if the work were performed by City and County employees.

Services to be Performed: Employee parking management services

Description: Charter Section 10.104 provides that the City may contract with private firms for services, if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work performed by City employees.

The Controller has determined that contracting for employee parking management services at the Airport for FY 2000-2001 would result in the estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$2,569,542	$3,108,159
Fringe Benefits	747,246	831,917
Total	$3,316,788	$3,940,076
Contractual Services Costs[1]	2,446,144	2,449,845
Estimated Savings	$ 870,644	$1,490,231

Comments:

1. Employee parking management services for the Airport include management of parking operations, security guard services and janitorial services, according to Mr. Fred Strong of the Airport.

2. Employee parking management services have been contracted out since 1971, the first year that these services were provided.

[1] Contractual Services Costs include contract monitoring by the Airport. When calculating salaries at the highest salary step, such costs increase by $3,701 annually.

3. Mr. Strong states that ABC Parking Inc./THOR has provided employee parking management services to the Airport since September 1, 1999. The prior one-year contract with ABC Parking Inc./THOR for employee parking management services commenced on September 1, 1999 and expired on June 30, 2000. The proposed resolution authorizes the Airport to exercise the first of four one-year options to renew this contract with ABC Parking Inc./THOR.

4. The subject one-year contract with ABC Parking Inc./THOR began on July 1, 2000. Therefore, the proposed resolution should be amended to provide for retroactive authorization.

5. The Contractual Services Costs used for the purpose of this analysis are ABC Parking Inc./THOR's projected FY 2000-2001 costs for employee parking management services.

6. The Attachment to this report, provided by the Airport, is the Controller's supplemental questionnaire with the Department's responses.

Recommendations:

1. Amend the proposed resolution to provide for retroactive authorization, in accordance with Comment No. 4 above.

2. Approve the proposed resolution, as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

Department: Airport Commission
Contract Services: Employee Automobile Parking
Contract Period: July 1, 2000 to June 30, 2001

1. Who performed the activity/service prior to contracting out?
   This service has always been contracted out, it has never been operated by City personnel.

2. How many City employees were laid off as a result of contracting out?
   None

3. Explain the disposition of employees if they were not laid off.
   N/A

4. What percentage of City employees' time is spent on services to be contracted out?
   N/A

5. How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?
   Services have been contracted out since October 16, 1971, it is likely to remain contracted out.

6. What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?
   The first fiscal year for a Proposition J certification was 1999/2000.

7. How will the services meet the goals of your MBE/WBE Action Plan?
   ABC-Thor is a certified MBE/SBE Company and employs other MBE Companies at the Airport garages.

8. Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?
   The contractor provides health insurance for its employees through union agreements.

9. Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic partners ordinance?
   ABC-Thor has a domestic partners policy which meets the ordinance.

Department Representative: ______________________
Robert Rhoades, Deputy Airport Director - Business

Telephone Number: (650) 821-4050

1.02.04.02ABCPROPJCHARTER10Questionnaire00-01

Item 4 - File 00-1960

Department: Airport

Item: Supplemental appropriation ordinance appropriating $39,690,612 in capital and bond fund interest income to a capital improvement project at the Airport, for FY 2000-01.

Amount: $39,690,612

Source of Funds: Attachment I, provided by the Airport, itemizes the interest income in the total amount of $39,690,612 earned by the Airport in FY 1999-2000 on various capital project funds and Unreserved Bond Fund balances.

Description: Under the Airport's Lease and Use Agreement with the airlines, the $39,690,612 in interest earned by the Airport on capital and bond fund accounts must be used exclusively for capital project purposes. Therefore, the Airport is seeking Board of Supervisors approval for a supplemental appropriation which would use the $39,690,612 interest earnings to partially fund the capital costs associated with two Master Plan projects: (a) the Airport Rail Transit Operating System (AirTrain Operating System), and (b) the Concourse H AirTrain Station. The AirTrain is an electric train system which will run within the Airport complex linking the Airport's four terminals and the new Bay Area Rapid Transit (BART) station being constructed in the Concourse H AirTrain Station as part of the BART-SFO Airport Extension Project which will extend BART services directly to the Airport.

Budget: According to Ms. Lisa Harris of the Airport, the subject supplemental appropriation of $39,690,612 represents approximately 16.7 percent of the estimated total design and construction cost of $237,633,460 ($133,737,854 plus $103,895,606) for the following two projects:

- $23,171,529 would be used for the AirTrain Operating System, which represents approximately 17.3 percent of the total estimated AirTrain Operating System design and construction costs of $133,737,854.

- $16,519,083 for the Concourse H AirTrain Station, which represents approximately 15.9 percent of the total estimated design and construction costs of $103,895,606 for this project.

Attachment II, provided by the Airport, contains (a) a summary budget for each project, and (b) a list the funding sources for each project. Both the AirTrain Operating System and the Concourse H AirTrain Station are Master Plan projects, primarily funded by Master Plan and Airport Infrastructure Bond funds, and the subject appropriation. Ms. Harris states that the Board of Supervisors approved the Master Plan concepts, and the issuance of Master Plan Bonds in the amount of $2,850,000,000 to fund the projects which would realize those concepts, under Resolution 880-96.

Comments:

1. The design and construction contractors selected for the AirTrain Operating System project (Lea and Elliot, and Adtranz respectively) and the Concourse H AirTrain Station project (ED2/MBT and Tutor-Saliba Corporation respectively) were all selected by the Airport through competitive bid processes which considered contractor qualifications and costs.

AirTrain Operating System

2. The AirTrain Operating System is part of the Airport's Master Plan. Components of the system consist of the train vehicles, the running surface, the guidance system, switches, power distribution, automatic train controls, and communications, station, central control, and maintenance equipment. The estimated total cost of designing and constructing this system is $133,737,854. As shown in Attachment II, this comprises (a) $4,359,655 for design, and (b) $129,378,199 for construction.

3. In June of 1994, the Airport awarded the AirTrain Operating System design contract to Lea and Elliot.

4. On August 23, 1996, the Airport awarded the AirTrain Operating System construction contract to Adtranz. Construction began on March 17, 1998 and is scheduled to be completed during the first quarter of 2002

(approximately four years). Ms. Harris states that $60,417,656 has been expended to date on the AirTrain Operating System, funded by Master Plan Bonds previously appropriated by the Board of Supervisors.

5. The $60,417,656 expended to date, plus the $23,171,529 portion of the subject appropriation, totals $83,589,185 which is approximately 62.5 percent of the total estimated cost of $133,737,854. According to Ms. Harris, the balance of $50,148,669, or approximately 37.5 percent, will be funded by Master Plan Bond funds previously appropriated by the Board of Supervisors.

6. According to Ms. Harris, the estimated total project cost of $133,737,854 is unchanged since the original budget approval for this project.

Concourse H AirTrain Station

7. The Concourse H AirTrain Station is also part of the Airport's Master Plan. This project consists of the design and construction of station facilities to provide a direct link from the new BART-SFO Airport Extension to the AirTrain and the Airport's four terminals. The Concourse H AirTrain Station is a three-level concrete structure directly adjacent to the new North International Terminal Garage. One level is a BART stop, another level is an AirTrain stop. The estimated total cost of designing and constructing this structure is $103,895,606. As shown in Attachment II, this comprises (a) $7,080,699 for design, and (b) $96,814,907 for construction, construction management, and materials testing.

8. In March of 1996, the Airport awarded the Concourse H AirTrain Station design contract to ED2/MBT.

9. On December 16, 1997, the Airport awarded the Concourse H AirTrain Station construction contract to Tutor-Saliba Corporation. Construction began on February 19, 1998 and is scheduled to be completed in April of 2001 (approximately three years and two months). Ms. Harris states that $79,672,854 has been expended to date on the Concourse H AirTrain Station, funded by Master Plan and Airport Infrastructure Bond

funds previously appropriated by the Board of Supervisors.

10. The $79,672,854 expended to date, plus the $16,519,083 portion of the subject appropriation, totals $96,191,937 which is approximately 92.6 percent of the total estimated cost of $103,895,606. According to Ms. Harris, the balance of $7,703,669, or approximately 7.4 percent, will be funded by Master Plan and Airport Infrastructure Bond funds previously appropriated by the Board of Supervisors.

11. According to Ms. Harris, the estimated total project cost of $103,895,606 is unchanged since the original budget approval for this project.

Recommendation: Approve the proposed supplemental appropriation ordinance.

Attachment I

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-0342

$39,690,612 SUPPLEMENTAL APPROPRIATION OF INTEREST INCOME

WHEREAS, the Lease and Use Agreement between the Airport and the airlines requires that interest income earned on capital projects funds be used exclusively for capital project purposes; and

WHEREAS, interest earnings on capital project funds total $39,690,612 for FY 1999/00; now therefore, be it

RESOLVED, that this Commission hereby requests the Mayor to recommend to the Board of Supervisors a Supplemental Appropriation of $39,690,612 from the Unreserved Fund Balance of the capital project funds shown below:

Fund Title	Amount
Approved Capital funds	$8,772,898
1967 G.O. Bonds	$15,537
1977 Series B Revenue Bonds	$67,432
1983 Series D Revenue Bonds	$250,367
1990 Series E Revenue Bonds	$95,868
Issue 1	$15,386
Issue 2	$3,677
Issue 3	$6,087
Issue 4	$1,620
Issue 5	$607,175
Issue 6	$1,231,974
Issue 8A	$271,251
Issue 8B	$216,680
Issue 9A	$643,607
Issue 9B	$609,405
Issue 10A	$436,695
Issue 10B	$437,869
Issue 11	$781,626
Issue 12A	$1,267,983
Issue 12B	$1,611,824
Issue 13A	$1,445,269
Issue 13B	$1,411,126
Issue 14	$148,662
Issue 15A	$931,914
Issue 15B	$884,567
Issue 16A	$774,166
Issue 16B	$362,341
Issue 17	$580,628
Issue 18A	$416,942
Issue 18B	$1,614,903
Issue 19	$1,182,537
Issue 20	$173,952
Issue 21	$2,180,636
Issue 22	$1,246,561
Issue 23A	$2,651,309
Issue 23B	$3,229,059
Issue 24A	$1,286,120
Issue 24B	$428,953
Issue 25	$1,396,006
TOTAL	$39,690,612

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of SEP 19 2000

Jean Caramatti

Secretary

SAN FRANCISCO INTERNATIONAL AIRPORT

PROJECT COST ACCOUNT SUMMARY

AirTrain Operating System

Construction		$129,378,199
Design		$4,359,655
	Total	**$133,737,854**

Funding Source

Previously Appropriated Interest Income		$17,164,174
Subject Interest Income		$23,171,529
Master Plan		$93,402,151
	Total	**$133,737,854**

Concourse H/AirTrain Station

Construction		$89,813,154
Design		$7,080,699
Construction Management		$5,326,928
Materials Testing		$1,674,825
	Total	**$103,895,606**

Funding Source

Master Plan		$48,187,491
Non-Master Plan		$39,189,032
Subject Interest Income		$16,519,083
	Total	**$103,895,606**

Item 5 - File 00-1995

Department: Board of Supervisors

Item: Supplemental Appropriation in the amount of $754,250 to fund the San Francisco Local Agency Formation Commission (LAFCo) for the Board of Supervisors for Fiscal Year 2000-2001.

Amount: $754,250

Source of Funds: General Fund Reserve

Description: On July 3, 2000, the Department of Elections received a petition calling for an election to create a Municipal Utilities District (MUD) to supply electric power to the public for the Cities of San Francisco and Brisbane. The Department of Elections determined that the petition contained a sufficient number of signatures as required under state law. Prior to the submission of the MUD petition, the City Attorney issued an opinion that a Local Agency Formation Commission (LAFCo) must evaluate and approve the MUD proposal before an election may be called on the question of whether or not to form a MUD. Based on the advice of the City Attorney, the Board of Supervisors declined to place the MUD proposal on the November 7, 2000 ballot.

The chief proponents of the MUD petition sued the Board of Supervisors to compel the Board to place the MUD formation proposal on the November 7, 2000 ballot. (Ventresca v. City and County of San Francisco Board of Supervisors, Civil Action No. 313931). The court denied petitioners' request and ruled that formation of a MUD must undergo LAFCo review and approval before being submitted to the voters.

According to the City Attorney's opinion, State law, initially passed in 1963 and subsequently amended in 1985, created a LAFCo for every County in the State of California to conduct a substantive evaluation of proposals such as the petition to create the San Francisco-Brisbane MUD prior to submitting a ballot measure to the voters on this matter. Since San Francisco is both a City

and a County, and has never before formed such a special district, there has been no prior need to activate the LAFCo, according to Mr. Dorji Roberts, Deputy City Attorney. Mr. Roberts adds that the substantive evaluation of the MUD proposal will include such matters as environmental review, an analysis of services that may be performed by the proposed district, how the proposed district will be financed, alternatives to the formation of a MUD, and other analyses required under State law. LAFCo will then decide whether to approve, with or without conditions, or disapprove the proposal to create the San Francisco-Brisbane MUD prior to submitting a ballot measure to the voters on this matter. If approved by LAFCo, the issue will then be submitted to the voters.

On August 21, 2000, the Board of Supervisors adopted a motion appointing three of its members to the LAFCo. The three members then appointed two private citizens to the LAFCo on October 31, 2000, as required by State Law.

Budget: A summary budget for the proposed supplemental appropriation is presented below:

Temporary Salaries:	$66,150	Temporary Staff
	3,500	Commissioner's Fees
Subtotal	$69,650	See Comment 1
Fringe Benefits	5,850	"
Travel	3,000	"
Membership Fees	2,000	"
Professional Services	500,000	See Comment 2
Official Advertising	3,500	
Other Current Expenses	59,000	See Comment 3
Materials and Supplies	6,250	
Services of City Attorney	100,000	See Comment 4
Services of DTIS	5,000	"
	$754,250	

Comments:

1. Amounts shown above for Temporary Staff ($66,150) represents the estimated cost through June 30, 2001 to fund temporary staffing for one LAFCO Executive Officer (required by State Law) and secretarial staff, according to Ms. Gloria Young, Clerk of the Board of Supervisors. Ms.

Young adds that the specific classifications and salaries for such temporary staff have not yet been determined.

The proposed budget includes $3,500 fund Commissioner's Fees based on the five LAFCO Commissioners at a fee of $50 per meeting for a total of 14 meetings to be held during the remainder of Fiscal Year 2000-2001 A total of $2,000 has been included for Membership Dues and $3,000 related to the Travel for membership in the State of California Local Agency Formation Commission (CALAFCo) and attendance at a CALAFCo conference for staff and Commissioners scheduled for November 30, 2000 through December 1, 2000 in Sacramento.

2. The $500,000 total budgeted for Professional Services is to fund the estimated cost of consulting services for special projects, data collection and analysis, and required California Environmental Quality Act (CEQA) review, depending on the LAFCo's future policy decision concerning formation of the MUD. This amount is an estimate of the potential cost for such items, which could be exceeded, according to Ms. Young. No contractors have been selected for the $500,000 in Professional Services. However, Ms. Young informs that $100,000 is needed immediately to hire a consultant to begin the process of analyzing the MUD proposal as soon as possible. Therefore, the Budget Analyst recommends that $400,000 of the $500,000 budget for professional services be placed on reserve.

3. The proposed LAFCo budget includes $59,000 for Other Current Expenses. This amount represents an estimate for as yet unidentified expenditures that may occur, including the costs incurred by other City Departments that receive requests for services from the LAFCo, such as the Assessor, the Department of Public Works, the Planning Department and Reproduction and Mail Services.

4. The proposed $100,000 for Services of the City Attorney is based on $75,000 of Deputy City Attorney time at an average hourly rate of approximately $143 per hour for 524 hours and $25,000 for outside counsel based

on approximately 115 hours at an average hourly rate of approximately $220 per hour. The Services of the Department of Telecommunications and Information Services (DTIS) of $5,000 is based on DTIS' standard fee for creating and maintaining a web site for the LAFCo according to Ms. Young.

Recommendation:

1. Amend the proposed supplemental appropriation to reserve $400,000 of the $500,000 requested for Professional Services as described in Comment 2 above.

2. Approval of the proposed ordinance as amended is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 6 – File 00-2010

Department:	Department of Public Health (DPH) Community Mental Health Services
Item:	Resolution authorizing the Department of Public Health, Community Mental Health Services, to accept retroactively and expend AB 2034 grant funds of a total of $3,961,167 from the State Department of Mental Health for integrated services for seriously mentally ill and dual/multiple diagnosed adults; providing for ratification of action previously taken.
Grant Amount:	$3,961,167
Grant Period:	October 15, 2000 through June 30, 2002 (20½ months)
Source of Funds:	State Department of Mental Health
Required Match:	None
Indirect Costs:	The State Department of Mental Health prohibits the inclusion of indirect costs under this grant program.

Description: The proposed grant will fund 20½ months of a new program that provides integrated services for seriously mentally ill and dual/multiple diagnosed people who are either homeless or recently discharged from jail, a hospital, or other institutions and at-risk of homelessness. Enrollees in the program may have mental illness, substance abuse, HIV, or other medical problems. Up to 120 people will be enrolled in this program at any given time. To be eligible to participate in this program, enrollees must not be currently engaged in ongoing community mental health treatment.

According to Ms. Louise Rogers of the DPH, DPH expects the distribution of enrollees to come from the following referral sources: (1) 30 percent discharges from San Francisco General Hospital's Psychiatric Emergency Services and other area hospitals, (2) 30 percent from outreach teams, streets, and shelters, (3) 30 percent discharges from jail and (4) 10 percent from a variety of community referral sources, including self-help drop-in centers and substance abuse programs.

Budget: A summary budget, provided by DPH, is as follows:

FY 2000-2001 (8½ months)	
Integrated Services Program*	$ 997,216
Housing for Program Participants	490,667
Administration/Reporting	51,364
Early Intervention and Family Support	121,920
Subtotal-FY 2000-01	$1,661,167
FY 2001-2002 (12 months)	
Integrated Services Program*	$1,468,364
Housing for Program Participants	727,273
Administration/Reporting	104,363
Subtotal-FY 2001-02	$2,300,000
TOTAL GRANT AMOUNT	$3,961,167

A detailed budget for the Program, provided by DPH, is shown in Attachment I.

Comments: 1. According to Ms. Rogers, approximately $3,500 of the subject grant has been expended for two weeks of salary for the Clinical Nurse Specialist position, which is an existing position formerly funded by the DPH FY 2000-2001 General Fund. As noted on the previous page, the grant period began on October 15, 2000 and the proposed resolution provides for ratification of action previously taken. However, to date, the DPH has not received any of the subject funds. Ms. Rogers states that DPH's FY 2000-2001 General Fund is funding the personnel expenses for the program until the subject grant funds are received by the DPH, at which time the General Fund will be reimbursed. Ms. Rogers further states that the Department expects to receive the full amount for the first year of the subject funds, or $1,661,167, by the first week in December of 2000, which can then be used to reimburse DPH's expenditures to date. According to Ms. Rogers, the DPH expects that beginning in FY 2001-2002, these grant

*Includes personnel costs for 16.5 FTEs during FY 2000-2001 and 16.65 FTEs during FY 2001-2002 (with fringe benefits at 24 percent of annual salary), scattered site housing units through an existing contract with Westside Community Mental Health, operating expenses, training expenses, and mobile support services. Mobile support services require program staff to travel to clients in order to provide psychiatric services, substance abuse treatment, and medical care.

funds are going to become part of the ongoing annual allocation provided by the State Department of Mental Health to the DPH. Ms. Rogers reports that the DPH expects to receive the second year of funding, $2,300,000, in July of 2001.

2. Ms. Rogers reports that the subject grant would fund 16.5 FTE positions during the first 8½ months of the subject grant, during the remainder of FY 2000-2001, and approximately 16.65 FTE positions during FY 2001-2002. The DPH is in the process of hiring staff for the 15.5 FTE positions, and expects the hiring process to be completed by mid-December. According to the proposed resolution, the positions at DPH would be designated "G", or grant-funded, and would terminate when the grant expires.

3. The DPH is currently overseeing a Request for Qualifications process to select at least one service provider to be responsible for on-site support services and property management at two facilities to be used for housing the clients and for providing support services. These two facilities, which the DPH is in the process of leasing, are located at 507 Bush Street and 124-126 Turk Street. According to Ms. Rogers, such leases will be submitted in the near future for Board of Supervisors approval. The two facilities would comprise the housing for program participants expenditure of $490,667 during FY 2000-2001 and $727,273 during FY 2001-2002, as shown on the previous page in the summary budget. The DPH plans to lease these buildings in order to provide housing and treatment for the program's clients as well as other DPH clients. Service providers will be selected based on the following minimum qualifications: (1) three years in providing on-site services in supportive housing, (2) three years in providing comprehensive property management services in supportive housing, (3) demonstrated experience in providing services to homeless people with a combination of medical, mental health, and substance abuse issues and (4) demonstrated experience in providing appropriate services for people with HIV/AIDS. The DPH expects contractors to be selected by December 6, 2000. Because the selection process for on-site support services and property management is not completed and the proposed leases for the two facilities have not yet been submitted to the Board of Supervisors for approval, the

Budget Analyst recommends that the amount of $490,667 for housing for program participants be placed on reserve, pending submission of the proposed leases to the Board of Supervisors for approval.

4. The two sites to be leased by the DPH will only provide a total of 55 beds for program enrollees. However, the program will have up to 120 enrollees. The remaining 65 beds will be provided from available housing units already leased by the DPH. Also, the DPH will lease additional scattered site housing through an existing contract with the Westside Community Mental Health organization, a nonprofit agency, at a cost of $133,500 during FY 2000-2001 and $100,000 in FY 2001-2002, as included in the Integrated Services Program section of the summary budget on the previous page. The DPH has an existing contract with Westside Community Mental Health to provide housing for homeless and disabled people who have been living on the street, in emergency shelters, and revolving through institutional settings.

5. Attachment II is a Grant Application Information Form, as prepared by DPH, which includes a Disability Access Checklist.

6. Because the DPH has expended approximately $3,500 of the subject grant for the Clinic Nurse Specialist's salary, the proposed resolution provides for retroactive authorization to accept and expend the subject grant funds.

Recommendations: 1. Amend the proposed resolution to place $490,667 for housing for program participants on reserve pending contractor selection and submission of proposed leases to the Board of Supervisors for approval.

2. Approve the proposed resolution, as amended.

AB 2034 Integrated Services Program for the Homeless Mentally Ill

Revised Proposed Budget Summary	FY 01-02	FY 00-01
Description	Budget 12 mos	Budget 8.5 mos
1. Int. Services Program--120 slots	$1,468,364	$997,216
2. Housing--55 beds Respite, Trans, Perm.	$727,273	$490,667
3. Administration/ Reporting	$104,363	$51,364
4. Early Intervention: Family Support		$121,920
TOTAL	$2,300,000	$1,661,167

Cost per client served

120 clients will be served through the integrated services program, including housing (items 1 and 2).
The FY 01-02 annual cost per client for the entire program is $19,167.
The early intervention pilot initiative (budget item 4) will train an additional 600 families and individuals.

One-time costs

$55,500 in one-time costs for the Integrated Services Program have been identified in the detail for that budget and funded in FY 00-01.
The proposed annual budget for FY 01-02 contains no one-time costs.

Attachment 1

Budget Detail

Expansion of the City-operated Mobile Outreach Support and Treatment Team to be the Integrated Services Program for AB 2034

Budget Item 1: Int. Svcs. Program Budget	Salary	FTE** Actual	24% Fringe	FY 01-02	FY 00-01	Class		Object
1 FTE Project Director	$62,894	$62,894	$15,095	$10,000	$0	2591 HPC II (in-kind)	8.5 mos.	001/013
1 FTE Administrative/IS/Elig. Manager	$56,232	$56,232	$13,496	$69,727	$43,579	1822 Admin. Analyst	7.5 mos.	001/013
1 FTE Clinical Supervisor PSC	$62,574	$62,574	$15,018	$77,592	$48,495	2932 Sr. PSW	7.5 mos.	001/013
1 FTE Psychiatrist	$116,519	$116,519	$27,965	$144,483	$90,302	2232 Sr Physician Sp	7.5 mos.	001/013
1 FTE Clinical Nurse Specialist PSC	$81,656	$81,656	$19,597	$101,253	$67,502	2322 Nurse Manager	8 mos.	001/013
1.5 FTE Licensed Psychiatric Technician PSC	$48,796	$73,194	$17,567	$90,761	$56,725	2305 Psych Technicia	7.5 mos.	001/013
3 FTE Psychiatric Social Worker/MFCC PSC	$59,883	$179,648	$43,115	$222,763	$139,227	2305 Psych Technicia	7.5 mos.	001/013
2 FTE Dual Diagnosis Counselors PSC	$50,502	$101,004	$24,241	$125,244	$78,278	2587 Health Worker I	7.5 mos.	001/013
1 FTE Rehabilitation/Employment Specialist PSC	$48,796	$48,796	$11,711	$60,507	$37,817	2566 Rehab. Counse	7.5 mos.	001/013
1 FTE Health Worker PSC	$43,226	$43,226	$10,374	$53,601	$33,500	2587 Health Worker I	7.5 mos.	001/013
2 FTE Peer Counselors/ (4) .5 FTE*	$26,970	$53,940	$12,946	$66,885	$41,803	2585 Health Worker I	7.5 mos.	001/013
1 FTE Administrative Asst.	$39,735	$39,735	$9,536	$49,272	$30,795	1426 Sr. Clerk Typist	7.5 mos.	001/013
COLA 5% FY 01-02				$53,604				
Subtotal	$697,782	$919,417	$220,660	$1,125,692	$668,024			
Rent--Family Service Agency Contract			n/a	$40,000	$26,667			027
Office Supplies			n/a	$8,000	$5,333			040
24 Hour On-Call Back-up			n/a	$33,334	$22,223			001/005
Consumer Housing stipends--Westside Contract			n/a	$100,000	$133,500	$33,500 is one-time FY 00-01		027
Consumer Work stipends--CVE Contract			n/a	$30,000	$20,000			027
Consumer Expenses--Westside Contract			n/a	$40,000	$26,667			027
Rep payee service Conard Contract			n/a	$50,000	$33,333			027
Car rentals			n/a	$24,338	$26,802			030
Staff transportation			n/a	$4,000	$2,667			023
Staff education/training/consultation--Westside Contract			n/a	$10,000	$20,000	$10,000 is one-time FY 00-01		027
Office equipment--computers			n/a	$3,000	$12,000	$12,000 is one-time FY 00-01		040
Subtotal			n/a	$342,672	$329,192			
TOTAL				$1,468,364	$997,216			

*plus 2 in-kind Peer Counselors PSC=Personal Svces. Coordinator
**includes 2.5 % COLA 00-01

Budget Item 2: Housing	Cost per day	per month	FY 01-02	FY 00-01	Object
124-126 Turk Street respite, transitional 27 units	$37	$1,102			
507 Bush Street 28 permanent units					
Leasing			$269,040	$181,547	027--RFQ
Operating Expenses			$231,000	$157,013	027--RFQ
Support Services			$227,233	$152,107	027--RFQ
Total			$727,273	$490,667	#21-2000

Budget Item 3: Administration/Reporting		Actual	24% Fringe	FY 01-02	FY 00-01	Class	Object
Mental Health Coordinator	$74,780	$74,780	$17,947	$92,727	$46,364	2246 Clinical Director 6 mos.	001/013
Expected COLA FY 01-02				$4,636			001/013
Evaluation Consultation--Westside Contract	$7,000	$7,000		$7,000	$5,000		027
Total				$104,363	$51,364		

Budget Item 4: Early Intervention-Family Support	FY 00-01	Object
.3 Program Coordinator/Consultation	$13,333	027-RFP
3 FTE Health Educator Consultants	$104,587	027-RFP
Psychoeducation training materials	$4,000	027-RFP
Total	$121,920	

	FY 01-02	FY 00-01
TOTAL REQUEST	$2,300,000	$1,661,167

Note: "Object"

001 = Civil Service Personnel
013= Civil Service Fringe Benefits
027 = Contractor provided service
040= Civil Service Materials and Supplies
005 = Civil Service Temp Salaries
023 = Civil Service Employee Field Expenses
030 = Civil Service vehicle lease

File Number:______________________________
(provided by the Board of Supervisors)

Grant Information Form

(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

1. Grant Title: AB2034 Grant

2. Department: Department of Public Health, Population Health and Prevention, Community Mental Health Services.

3. Contact Person: Louise Rogers Telephone: 255-3416

4. Grant Approval Status (check one):

   [X] Approved by funding agency [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $1,661,167 (8.5 mos.) $2,300,000 (12 mos.)

6a. Matching Funds Required: $0
b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency: State Department of Mental Health.
b. Grant Pass-Through Agency (if applicable): N/A

8. Proposed Grant Project Summary: The proposed new grant will fund integrated services for seriously mentally ill and dual/multiply diagnosed adults 18 years and older who are either (a) homeless, or (b) recently discharged from jail, hospital, or other institutions and at-risk of homelessness.

9. Grant Project Schedule:

   Start-Date: 10/15/00 End-Date: 6/30/01 (It is expected that these grant funds will become part of the ongoing State allocation to the Department in future funding years.)

10. Number of new positions created and funded: 16.5 FTE

11. If new positions are created, explain the disposition of employee(s) once the grant ends: It is expected that these grant funds are going to become part of the ongoing annual allocation provided by the State Department of Mental Health, so end date of the grant should not create a funding problem for the new positions.

12a. Amount to be spent on contractual services: Up to $877,754 in FY 00-01 and up to $1,004,233 in FY 01-02.

b.).Will contractual services be put out to bid?: Yes, except those that will be added to existing contracts.
c.) If so, will contract services help to further the goals of the department's MBE/WBE requirements? : It is expected that it will be non-profit agencies that apply for these funds. If not, then the contract services are expected to further the department's MBE/WBE goals.

d) Is this likely to be one-time or ongoing request for contracting out? Ongoing

13a. Does this budget include indirect costs? No

b. If no, why are indirect costs not included? :
[x] Not allowed by granting agency
[ ] To maximize use of grant funds on direct services
[ ] Other (please explain):

14. Any other significant grant requirements or comments:

Disability Access Checklist*

15. This Grant is intended for activities at (check all that apply):

[X] Existing Site(s)
[X] Existing Structure(s)
[X] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s)
[ ] Rehabilitated Structure(s)
[ ] New Program(s) or Service(s)
[ ] New Site(s)
[ ] New Structure(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability
Reviewer: Norm Nick — Norman Nickens, Deputy Director
(Name)

Date Reviewed: 10/12/00

Department Approval:
Mitchell H. Katz, M.D., Director of Health
(Name) (Title)

Mitchell Katz
(Signature)

Item 7 – File 00-1895

Department: Department of Environment

Item: Hearing to request release of reserved Hetch Hetchy funds in the amount of $146,244 to be used by the Department of Environment to hire two Senior Energy Specialists.

Amount: $146,244

Source of Funds: Hetch Hetchy operating funds added and reserved by the Board of Supervisors in the Fiscal Year 2000-2001 Hetch Hetchy budget, to be work-ordered to the Department of Environment.

Description: In 1999, Hetch Hetchy reorganized and eliminated its Bureau of Energy Conservation, an in-house bureau responsible for projects to increase energy efficiency throughout City and County of San Francisco facilities. While Hetch Hetchy continues to oversee energy conservation programs for existing City facilities, the responsibility for energy efficiency for new City construction projects has been shifted to the Department of the Environment. The Resource Efficiency Building (REB) Ordinance that was approved by the Board of Supervisors in May of 1999 (File Nos. 99-0443 and 99-0444) requires the Department of Environment to develop guidelines for the design and construction of new City facilities which are to be energy efficient. Prior to Hetch Hetchy's reorganization, the Bureau of Energy Conservation had been providing significant support towards implementing the REB ordinance.

During the Finance and Labor Committee's annual budget review in June of 2000, the Committee placed $146,244 of the proposed FY 2000–2001 Hetch Hetchy budget on reserve which was also approved by the full Board of Supervisors. The purpose of the reserve was to fund the Department of Environment's estimated expenditure of $146,244 to hire two Senior Energy Specialists. The two Specialists would work with the Department of Environment's new Resource Efficiency and Energy Conservation Manager to develop a

comprehensive energy and resource conservation program for the City. The Department of Environment's proposal for implementation of this new plan is explained in Attachment I to this report, provided by the Department of Environment.

This request would release the previously reserved $146,244 in Hetch Hetchy funds, allowing the Department of Environment to fund salary costs for two new Senior Energy Specialists for six months, and related expenditures, from approximately January 1, 2001 through June 30, 2001.

Budget: A summary budget for the requested $146,244 is as follows:

Temporary Salaries	Bi-weekly pay	Pay periods	Total for 1 position	Total for both positions
5608 Senior Energy Specialists (FY 00-01):	$2,614	13	$33,982	$67,964
Total Benefits at 24% of salaries			8,156	16,311
Professional Services (see below)				52,418
Supplies and Non-Personal Costs				
Training				1,500
2 Personal Computers and Related Software				5,000
Furniture for two staff				1,000
Phone Lines/Use				900
Office Supplies				651
Subscriptions				500
Total Supplies and Non-Personal				$9,551
Grand Total				$146,244

On an annual basis, the two Senior Energy Specialist positions would earn salaries of $68,225 each at current rates of pay (excluding benefits). Attachment II to this report, provided by the Department of the Environment, contains additional details regarding the costs listed above as "Professional Services".

Comments:

1. According to Ms. Marina Kipnes of the Department of Environment, the Department does not intend to hire employees for the two proposed 5608 positions until the Board of Supervisors, Finance and Labor Committee has approved funding via the requested release of reserved funds. Ms. Kipnes states that the Department expects to fill both the proposed Senior Energy Specialist positions on January 1, 2001.

2. According to Ms. Kipnes, the training, personal computers and software, furniture, telephone, office supplies, and subscription items listed in the Department's budget under "Supplies and Non-Personal Costs" are needed to directly support the two new proposed Senior Energy Specialists.

3. As noted above, the Board of Supervisors placed the subject $146,244 of the proposed FY 2000–2001 Hetch Hetchy budget on reserve in order to fund Department of Environment expenditures of $146,244 to hire two civil service Senior Energy Specialists. However, the budget submitted by the Department of Environment indicates that the Department proposes to expend $52,418 of the $146,244 requested release of reserved funds on "Professional Services." According to Ms. Kipnes, the Department of Environment has not yet officially selected any contractors to provide the proposed professional services listed in Attachment II, and the Department has not provided the Budget Analyst with estimated hours or hourly rates for the proposed professional services work. Ms. Kipnes notes, however, that the Department currently has a contract with Global Green, a non-profit company, for professional services unrelated to the subject proposed release of reserves. According to Ms. Kipnes, the Department would seek to expand the scope of its existing contract with Global Green to include proposed professional services related to training of personnel, should the Finance and Labor Committee approve the requested release of reserved funds. Ms. Kipnes further states that the Department intends to work order all other professional services from the Bureau of Architecture.

Until contractors are selected and budget details are submitted to the Board of Supervisors, the $52,418 in funds requested for professional services should continue to be reserved. Furthermore, because the purpose of the $146,244 reserved by the Finance and Labor Committee was to fund two Senior Energy Specialist positions and not professional services, the Budget Analyst considers approval of the $52,418 for such professional services expenditures to be a policy matter for the Finance and Labor Committee.

Recommendations:

1. Release $93,826 of the subject $146,244 reserved funds to fund the two Senior Energy Specialist positions and related expenditures.

2. Continue to reserve the $52,418 for professional services pending selection of contractors and submission of contract details, including estimated hours and hourly rates.

3. Approval of the $52,418 requested for professional services is a policy matter for the Finance and Labor Committee, since the funds appropriated were not intended to be expended for professional services.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

DEPARTMENT OF THE ENVIRONMENT
CITY AND COUNTY OF SAN FRANCISCO
FRANCESCA VIETOR, DIRECTOR

PROPOSAL FOR RELEASE OF FUNDS ON RESERVE FOR ENERGY CONSERVATION

Background: The Board of Supervisors has put $146,244 of funding for the Department of the Environment on reserve for the purpose of energy conservation. This proposal asks that these funds, which were work ordered from Hetch Hetchy for Energy Conservation, be released for the purpose of hiring two senior energy and resource conservation specialists to work with the Department of the Environment's new Resource Efficiency and Energy Conservation Manager to develop a comprehensive energy and resource conservation program for the City of San Francisco. A portion of the funds would be used to provide for program materials for the specialists.

Proposed Allocation of Funds: Two senior energy and resource conservation specialists, class 5608, would be hired as of January 2, 2001. These positions would be temporary. The allocation of these funds will cover salaries and expenses through the end of fiscal year 2000-2001. Staff in these positions would work under the direction of the Resource Efficiency and Energy Conservation Manager, class 1888. Some of the funds would also go toward paying for professional services to hire consultants and the City and County of San Francisco Bureau of Architecture to provide technical expertise on energy efficiency. The subject positions would focus on the following areas:

- Designing, implementing and promoting the energy conservation programs outlined in the Resource Efficient Building Ordinance
- Working with the 10 pilot projects selected under the guidelines of the Resource Efficient Building Ordinance on energy conservation programs for each of these projects
- Using the Sustainability Plan and Department of the Environment planning documents as a guide, designing, initiating, implementing, monitoring and evaluating an energy policy for the City of San Francisco
- Design and implement a local Climate Change Plan (CCP) for energy and CO_2 emissions reduction, including working with the International Council for Local Environmental Initiatives (ICLEI)
- Developing plans and budgets for sustainable energy programs to be funded by energy savings

Allocation Request for Fiscal Year 00-01

Salaries	$ 67,964.00
Benefits	$ 16,311.00
Professional Services	$ 52,418.00
Training	$ 1,500.00
Computer/Software	$ 5,000.00
Furniture	$ 1,000.00
Phone	$ 900.00
Office Supplies	$ 651.00
Subscriptions	$ 500.00
Total	$ 146,244.00

Short Job Description: Perform a variety of duties related to the implementation, monitoring and evaluation of a broad range of resource and energy issues and projects, including: development and implementation of resource and energy efficiency plans and programs; reduction of fossil fuel consumption by vehicles and power plants; conservation and efficient utilization of water and energy resources; and representation of the City in a wide variety of trade and industry forums at which fossil fuel reduction, resource and energy efficiency, renewable resources, greenhouse gases, climate change and long term sustainability are presented and discussed. In addition, this position will assist with the preparation of grant proposals; generate research studies, reports, contracts and other written materials, and perform other related duties as required.

Minimum Qualifications:

1. Possession of a baccalaureate degree from an accredited college or university with major course work in any of the following areas: planning, engineering, ecology, energy conversation, the physical or biological sciences, architecture, or a closely related field; AND

2. Three (3) years of verifiable, professional experience in the initiation, implementation, monitoring and/or evaluation of energy conservation projects or programs.

Work Plan For Resource and Energy Efficiency Program Area:

The following specific projects will be carried out by the entire resource and energy efficiency program area. There are currently two staff in this area, and if the two additional staff are approved, the four staff would work on the following specific projects.

IMPLEMENT RESOURCE EFFICIENT BUILDING (REB) ORDINANCE

- monitor mandatory measures
- develop new mandatory measures
- provide energy recommendations and monitoring on pilot projects
- identify funds/financing for incremental capital costs
- draft design and overall guidelines
- participate on task force
- coordinate consultant work

ENERGY POLICY AND PROGRAM PLANNING

- Research and analyze information on conservation programs and products
- Develop a city-wide energy efficiency and renewables plan and budget
- Develop a program for photovoltaic financing and implementation
- Develop plans and programs to mitigate adverse energy impacts
- Evaluate new proposed power generation projects
- Develop plans for implementation of energy section in sustainability plan
- Track and provide input to energy studies and reliability issues

FINANCING AND FUNDRAISING

- Develop a plan and a budget for sustainable energy programming to be funded by energy savings
- Identify funding sources for retrofits, incremental costs and renewables

- Identify financing opportunities for revenue generation, job creation, incremental cost subsidies

- Develop a plan and a budget for sustainable energy programming

IMPLEMENT GLOBAL WARMING ACTIVITIES

- design, finalize and implement local action plan for energy emissions reductions (CO2 reductions)

- set and meet City and County energy emission reduction goals

- liaison with International Council for Local Environmental Intiatives (ICLEI)

TRACK POWER PLANTS/GENERATION PROJECTS

- Potrero Power plant

    -assist with Southern negotiations
    -participate with task force
    -ensure environmental programming and efficiencies

- Shut down of Bayview Hunters Point

    -attend meetings/negotiations on new power plant sitings

- Help coordinate business plan with Hetch Hetchy to site plants

SPECIAL PROJECTS

- Develop and implement green schools program

- Assist with sustainable development of San Francisco's military bases

- Develop commercial and residential energy efficiency outreach programs

- Assist with related projects on an as-needed basis.

DEPARTMENT OF THE ENVIRONMENT

CITY AND COUNTY OF SAN FRANCISCO

FRANCESCA VIETOR, DIRECTOR

Professional Services Detail

The reason for professional services is to provide specialized support to the two energy specialist positions. The energy specialists would have broad knowledge of energy issues and technology, but cannot have technical expertise and experience in all aspects of energy markets, energy policies, regulations, equipment, design tools, and construction practices. The following is a breakdown of the $52,418.00 professional services line item in the budget:

1. $26,418 Consultants will review, analyze, and make recommendations for specialized energy efficient design measures and renewable energy in new construction projects. This may include benefit-cost analysis and building modeling. Expected projects include Laguna Honda Hospital, several libraries, several recreation centers, and a new administrative building at 525 Golden Gate. Department of the Environment will workorder CCSF Department of Public Works/Bureau of Architecture to incorporate the specialized energy efficiency measures into the design projects.

2. $10,000 Consultants will develop design tools for specialized efficiency technologies in new construction projects.

3. $5,000 Consultants will assist in the development and implementation of workshops for CCSF engineers, architects, building inspectors, and other staff on design of renewable energy and energy-efficient HVAC, lighting, and other systems.

4. $5,000 Consultants will provide technical assistance for the development of a CO2 reduction plan. The assistance can include market segmenting, estimating market potential, defining market barriers, designing programs, estimating market penetration, estimating program costs, and analyzing local economic benefits of CO2 reduction programs.

5. $3,000 Consultants will develop RFP and specifications language for specialized energy-efficient design measures in new construction projects.

6. $2,000 Consultants will prepare and review building commissioning plans for the energy-efficient design measures in new construction projects.

7. $1,000 Consultants will review and assess training proposed by contractors on specialized energy using equipment in new construction projects.

11 Grove Street, SAN FRANCISCO, CALIFORNIA 94102
WWW.CI.SF.CA.US/ENVIRONMENT
TELEPHONE (415) 554-6390 FAX 554-6393 E-MAIL: ENVIRONMENT@CI.SF.CA.US

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, December 06, 2000 | 10:00 AM | City Hall, Room 263

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:05 a.m.

001944 **[Government Funding, $89,000, Department of Environment]**

Supervisors Ammiano, Bierman, Leno

Ordinance appropriating $89,000 from the General Fund Reserve for the Department of Environment to fund the community window on the cleanup of the Hunters Point Shipyard that serves as the central location for the community on information, cleanup and emergency alert, for fiscal year 2000-01.

10/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

12/4/00, SUBSTITUTED. Supervisor Ammiano submitted a substitute ordinance bearing new title.

12/4/00, ASSIGNED to Finance and Labor Committee. Sponsor requests this item be scheduled for consideration at the December 6, 2000 meeting.

Heard in Committee. Speakers: Supervisor Ammiano; Angelo King, Southeast Roundtable; Jill Fox, Hunters Point Shipyard Restoration Advisory Board; Lynn Brown, Community For Better Environment; Jessie Mason; Scott Madison, Hunters Point Shipyard Citizens Advisory Committee; Olen Webb, Bayview Hunters Point Community Advocates; Karen Pierce; Saul Bloom, Director, Arc ecology.
Continued to December 20, 2000.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

002011 **[Suspension of MUNI fares on New Year's Eve.]**

Supervisors Newsom, Leno

Ordinance approving the suspension of fares on Municipal Transportation Agency (MUNI) revenue vehicles on New Year's Eve, the creation of a pass for University of San Francisco undergraduate students, and the appropriation of $833,296 to fund an increase in Municipal Transportation Agency's budget for fuel for fiscal year 2000-01. (Public Transportation Commission)

(Fiscal impact.)

11/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Ted Lakey, Deputy City Attorney; Gigi Harrington, Deputy General Manager, Finance and Administration, MUNI; Holly Hogan, USF; Michael Farrah, Aide to Supervisor Newsom; Hidi Machen, Aide to Supervisor Newsom; Laura Spanjian, MUNI; Supervisor Ammiano; Supervisor Bierman.

Amendment of the Whole deleting reference to BART use; adopted. After further consideration the legislation was divided into three separate pieces; see Files 002149, creation of muni pass for USF students and 002150, budget for fuel.

Supervisor Bierman added as cosponsor.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

DIVIDED.

Ordinance approving the suspension of fares on Municipal Transportation Agency (MUNI) revenue vehicles on New Year's Eve. (Public Transportation Commission)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammlano

002149 **[Creation of pass for University of San Francisco undergraduate students]**

Supervisors Leno, Newsom, Bierman

Ordinance approving the creation of a pass for the amount of $12 per month for University of San Francisco undergraduate students for rides on MUNI revenue vehicles.

(Fiscal Impact.)

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Ted Lakey, Deputy City Attorney; Gigi Harrington, Deputy General Manager, Finance and Administration, MUNI; Holly Hogan, USF; Michael Farrah, Aide to Supervisor Newsom; Hidi Machen, Aide to Supervisor Newsom; Laura Spanjian, MUNI; Supervisor Ammiano; Supervisor Bierman.

Divided from File 002011.

DIVIDED.

RECOMMENDED AS DIVIDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

002150 [Amending Municipal Transportation Agency's budget for fuel expenditures for FY 2000-01]
Supervisors Leno, Newsom, Bierman

Ordinance approving the appropriation of $833,296 to fund an increase in Municipal Transportation Agency's budget for fuel for Fiscal Year 2000-01.

(Fiscal Impact)

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Ted Lakey, Deputy City Attorney; Gigi Harrington, Deputy General Manager, Finance and Administration, MUNI; Holly Hogan, USF; Michael Farrah, Aide to Supervisor Newsom; Hidi Machen, Aide to Supervisor Newsom; Laura Spanjian, MUNI; Supervisor Ammiano; Supervisor Bierman.
Divided from File 002011.
DIVIDED.

RECOMMENDED AS DIVIDED by the following vote:
Ayes: 3 - Yee, Bierman, Ammiano

001996 [Acceptance of easement deed to provide ADA access to the renovated Japantown Peace Plaza]

Resolution authorizing the Director of Property to accept an easement deed over private property for accessible access to the Peace Plaza in Japantown. (Real Estate Department)

11/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Harry Quinn, Real Estate Department.
RECOMMENDED by the following vote:
Ayes: 3 - Yee, Bierman, Ammiano

002007 [Reserved Funds, Department of Human Services]
Supervisor Bierman

Hearing to consider release of reserved funds, Department of Human Resources, (1999-2000 Budget reserve), in the amount of $453,170 for site acquisition and capital improvements for the Mission Neighborhood Resource Center facility. (Human Services Department)

11/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Department requests this item be calendared at the November 29, 2000 meeting.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Trent Rhorer, Acting Executive Director, Human Services Department; Joyce Miller, Coalition of Homelessness; Silvia Alvizar; Silvia Donij; Bill Sorro, Mission SRO Collabrative; Teresa Betancourt, Marshall School; Betty Trayner, 16th Street Neighborhood Association; Ann Blackstone, Mission Hotel; Janice Belen, Merchant; Dr. Terry Ginvannini, Mission Health Center; Jerry Rogers, S. F. Community Clinic Coalition; Richard Marquez, Mission Agenda; Sergio Canjura, Mission Health Center; Mauricio Aviles; Supervisor Ammiano; Michele Byrd, Human Services Department.
Amended to only release $402,170.
Supervisor Bierman added as cosponsor.
APPROVED AND FILED by the following vote:
Ayes: 3 - Yee, Bierman, Ammiano

002096 **[Lease of property at 165 Capp Street for homeless drop in and referral center]**

Supervisor Ammiano

Resolution authorizing a lease of real property at 165 Capp Street on behalf of the Department of Human Services.

12/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Trent Rhorer, Acting Executive Director, Human Services Department; Joyce Miller, Coalition of Homelessness; Silvia Alvizar; Silvia Donij; Bill Sorro, Mission SRO Collabrative; Teresa Betancaut, Marshall School; Betty Trayner, 16th Street Neighborhood Association; Ann Blackstone, Mission Hotel; Janice Belen, Merchant; Dr. Terry Ginvannini, Mission Health Center; Jerry Rogers, S. F. Community Clinic Coalition; Richard Marquez, Mission Agenda; Sergio Canjura, Mission Health Center; Mauricio Aviles; Supervisor Ammiano; Michele Byrd, Human Services Department. Amendment of the Whole reflecting Budget Analyst's recommendations.
Supervisor Bierman added as cosponsor.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

002009 **[Reserved Funds, Rent Board]**

Hearing to consider release of reserved funds, Rent Stabilization and Arbitration Board, in the amount of $175,000 (File 991412, Ordinance No. 55-00), to defray costs for the Housing Study and related issues. (Rent Stabilization and Arbitration Board)

11/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speaker: Joe Grubb, Executive Diredtor, Rent Stabilization and Arbitration Board. Release of reserved funds in the amount of $175,000 approved.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

002033 **[Proposed closure and relocation of broadcast studios]**

Supervisor Ammiano

Hearing to consider AT&T Broadband's proposed closure and relocation of broadcast studios.

11/13/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

SPECIAL ORDER - 11:00 a.m.

001224 [Park Merced Apartments]

Supervisor Ammiano

Hearing to inquire into the proposed capital improvement pass through and resultant rent increase to tenants at the Park Merced Apartments.

6/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Linda Dolan, President, Park Merced Association; Lora Traveler, Augusta; Anthony Simmons, Vice President, Park Merced Residents Organization; Garfield Powell; Michele Miller; Vicki Mack; Genevieve Callejo; Brook Turner, Coalition for Better Housing; Pat McDermitt; Pauletta Burros, General Manager, Park Merced Apartments; Joe Grubb, Executive Director, Rent Board.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 11:58 a.m.

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

3

.254

13/00
cancelled

NOTICE OF CANCELLED MEETING

FINANCE AND LABOR COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Finance and Labor Committee scheduled for Wednesday, December 13, 2000 at 10:00 a.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

FINANCE AND LABOR COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

41 Library
100 Larkin Street Govt Information Center

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

November 30, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: December 6, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-1944

Department: Department of the Environment

Item: Ordinance appropriating $89,000 from the General Fund Reserve for the Department of the Environment to fund a Community Window to disseminate information on the cleanup of the Hunters Point Naval Shipyard, designed to serve as the central location for the community on information, cleanup, and emergency alerts, for Fiscal Year 2000-01. This report is based on the Substitute Ordinance introduced on November 28, 2000.

Amount: $89,000

Source of Funds: General Fund Reserve

Description: The proposed ordinance would appropriate $89,000 to the Department of the Environment to fund a Community Window on the Hunters Point Naval Shipyard Cleanup ('Community Window") in the Bayview Hunters Point neighborhood to serve as a central location for posting and disseminating information to the public related to environmental cleanup efforts at the Hunters Point Naval

Shipyard. The Community Window would be located in the six foot by six foot storefront of the Community First Coalition/Bayview Hunters Point Community Advocates Office, located at 5021 3rd Street, between Palou and Quesada Avenues. The Community Window would be open to the public Monday through Firday, 9 a.m. to 5 p.m. and would be updated regularly and staffed by the Bayview Hunters Point Community Advocates, one of the three community-based organizations to develop and operate the Community Window (discussed below).

According to Ms. Francesca Vietor, Director of the Department of the Environment, the Community Window will contain four main components:

(1) A storefront window display visible to the street, to be updated weekly with information related to the Bayview Hunters Point Naval Shipyard cleanup.

(2) A Cleanup Information Center immediately behind the display window, containing copies of relevant documents, updated schedules of meetings, hearings and other events related to the shipyard cleanup, cleanup job referral information, and a television to view a library of video tapes on toxic waste cleanup related to the shipyard. The Cleanup Information Center would also include a toll-free public information telephone line with a pre-recorded, regularly updated message with cleanup news and a computer terminal for searching cleanup records and Federal Environmental Protection Agency (EPA) databases.

(3) A Community Emergency Alert Center using the display window and the telephone Information Hotline discussed above to provide up-to-date information in the case of an emergency.

(4) A website called "Window on the Web" would provide internet access to updates, schedules and documents provided at the Community Window.

According to Ms. Vietor, $85,000 of the proposed $89,000 supplemental appropriation would be allotted to three

community-based non-profit organizations to develop and operate the Community Window, with the Department of the Environment administering the funds and providing information and resources on the clean-up via its EcoCenter. Through its EcoCenter, the Department of the Environment provides public education and outreach on local environmental issues. Ms. Vietor advises that the remaining $4,000 of the proposed $89,000 supplemental appropriation would fund administrative costs incurred by the Department of the Environment in administering the contract for the proposed Community Window.

The Bayview Hunters Point Community Advocates, a local non-profit organization, would oversee the display window, the Cleanup Information Center, the public information telephone line, and provide an existing full-time employee to staff the Cleanup Information Center. Ms. Vietor advises that under a subcontract with the Bayview Hunters Point Community Advocates, Arc Ecology would also provide a full-time equivalent existing employee to serve as the Cleanup Information Coordinator, assigned to collecting and analyzing technical papers and information on cleanup efforts to be posted in the Information Center and on the website. In addition, the Bayview Hunters Point Community Advocates would provide a subcontract to an organization called the Hunters Point Shipyard Trust for the Arts to design displays in the storefront window, in the Information Center and on the website. (See Comment No. 2 below).

Budget:

Attachment I to this report, provided by the Department of the Environment, contains budget details for the proposed $89,000 supplemental appropriation for the one-year period from January 1, 2001 through December 31, 2001.

Comments:

1. According to Ms. Vietor, the first year of the proposed Community Window will serve as a pilot program, with future funding subject to appropriation by the Board of Supervisors, based upon demonstrated success and need. Ms. Vietor advises that the Department of the Environment will evaluate the success of the pilot program based on the level of community participation in

the shipyard clean-up efforts. Some of the performance measures would include the number of website hits, level of traffic by the Community Window and the Cleanup Information Center, number of calls to the Center, number of community members involved in the clean-up process, and Hunters Point residents' level of satisfaction with the information being provided about the overall clean-up plan. The Budget Analyst notes that the subject $89,000 supplemental appropriation includes one-time costs of $16,500 as shown in budget contained in Attachment I, including the $6,500 for the window display and approximately $10,000 for a new computer, related software and supplies, and website development.

2. Ms. Vietor advises that the community-based non-profit organizations that would staff and operate the Community Window (the Bayview Hunters Point Community Advocates, Arc Ecology, and the Hunters Point Shipyard Artists) were selected on a sole source basis, according to Ms. Vietor, because these three organizations worked together to design the proposed Community Window program and have extensive experience with the Hunters Point community and the technical issues involved in the clean-up efforts. According to Ms. Vietor, a contract in the amount of $85,000 to operate the Community Window will be between the Department of the Environment and the Bayview Hunters Point Community Advocates for one year, beginning January 1, 2001 and ending December 31, 2001. As shown in Attachment I, Ms. Vietor advises that the Bayview Hunters Point Community Advocates in turn will allocate $34,250 in funds to Arc Ecology to fund the Cleanup Information Coordinator and related administrative expenses, and $6,500 to the Hunters Point Shipyard Trust for the Arts for the design and construct displays.

3. Attachment II, provided by the Department of the Environment, contains a one-year work plan and time line for creating the proposed Community Window.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

MEMORANDUM

TO: Marina Kipnis, Executive Asst., Dept. of Environment
FROM: Alex Lantsberg, Project & Development Coordinator, Arc Ecology
RE: Cost Breakdown for *Window* Proposal (1/1/2001 – 12/31/2001)

Per our conversation, the following is a more detailed breakdown of the budget figures for the *Community Window on the Shipyard Cleanup* proposal. Per my conversation with the Advocates' Executive Director, an existing staff person will assume responsibilities for item 1. Please contact me with any questions at 415/495-1786.

1. **Facility, Display, & Web Management and Referral Services** (*based at BVHP Advocates*)

$27,500.00	1 FTE Staff Person (annual)
$4,125.00	taxes & benefits (15%)
$2,625.00	administrative expenses, rent, and overhead
$34,250.00	

2. **Cleanup Information Coordinator** (*based at Arc Ecology*)

$27,500.00	1 FTE Staff person (annual)
$4,125.00	taxes & benefits (15%)
$2,625.00	administrative expenses and overhead
$34,250.00	

3. **Display Design**

4,000.00	Window display supplies & materials
2,500.00	Display design, development, and set-up (subcontract with HPS Artists)
$6,500.00	

4. **Web Development, Computer, Presentation Materials, and Supplies**

$2,000.00	Web Design and management
$1,750.00	DSL subscription
$1,750.00	Presentation supplies
$1,250.00	Computer for Kiosk
$1,250.00	toll free hotline number
$1,000.00	Presentation equipment
$500.00	Software
$500.00	misc. supplies
$10,000.00	

5. **Administration** (*provided by the Department of Environment*)

$4,000.00	Administrative oversight and reporting
$89,000.00	PROGRAM TOTAL

Source: Department of Environment

BUDGET

Facility, Display, & Web Management and Referral Services	$34,250
Cleanup Information Coordinator	34,250
Display Design	6,500
Computer and AV	10,000
TOTAL	*85,000*

WORK PLAN

<table>
<tr><th>MONTHS</th><th>ACTIVITIES</th></tr>
<tr><td>1</td><td>▪ Begin posting notices in window.
▪ Begin window, interior display, & web design
▪ Acquire Furniture & Equipment for Clearinghouse area
▪ Send requests to Navy, EPA, DTSC, SFDPH for Display and educational materials contributions</td></tr>
<tr><td>2</td><td>▪ Install toll free hot line number
▪ Set up computer & video education area
▪ Finalize design details for displays & web
▪ Test web site, computer & video education area
▪ Organize facility dedication – community reception
o Organize speakers
o Mail invitations for facility dedication
o Outreach to Bayview residents and schools regarding the opening of the facility</td></tr>
<tr><td>3</td><td>▪ Install window art work/display materials
▪ Install interior displays
▪ Facility dedication – community reception
o Mail press releases
o Morning press conference w/ speakers & demonstration of resources
o Community event w/ speakers & demonstration of resources</td></tr>
<tr><td>4</td><td rowspan="9">Carry Out Ongoing Program
• Community Updates on Parcel E Fire
• Community Notification of Cleanup Comment Periods
• Community Technical Updates on Pertinent Cleanup Documents
• Visiting Class Education Program
• Host Meetings of Local Emergency Planning Committee</td></tr>
<tr><td>5</td></tr>
<tr><td>6</td></tr>
<tr><td>7</td></tr>
<tr><td>8</td></tr>
<tr><td>9</td></tr>
<tr><td>10</td></tr>
<tr><td>11</td></tr>
<tr><td>12</td></tr>
</table>

Deliverables (Year 1)

- Window Display & Updates (Month 3 and ongoing)
- Interactive Web Site (Month 3 and ongoing maintenance)
- Video & Computer Education Areas (Month 3)
- The Toll Free Information & Emergency Hotline Number (Month 3)
- Visiting Class Education Program (Month 4)

Source: Department of the Environment

Item 2 – File 00-2011

Department: Municipal Transportation Agency (MTA)
Municipal Railway (Muni)

Item: Ordinance approving: (a) the suspension of fares on the Municipal Railway (Muni) on New Year's Eve, (b) the creation of a pass for University of San Francisco (USF) undergraduate students, and (c) the appropriation of $833,296 to fund an increase in Muni's budget for diesel fuel for Fiscal Year 2000-2001.

A. Suspension of Muni Fares on New Year's Eve

Description of New Years Service: The proposed ordinance would authorize the Public Transportation Commission (PTC) to provide free Muni service to all riders using Muni on New Years Eve, from December 31, 2000, beginning at 8:00 p.m., until January 1, 2001, ending at 6:00 a.m.

Estimated Cost for New Years Service: According to Ms. Gigi Harrington, Deputy General Manager for Finance and Administration at Muni, the estimated cost to the City to provide the proposed free Muni transit service, between 8:00 p.m. on December 31, 2000 through 6:00 a.m. on January 1, 2001, is approximately $58,000. Ms. Harrington states that approximately $42,000 of these increased costs would result from overtime costs to provide additional Muni staff for expanded service and approximately $16,000 of these increased costs would result from lost fare box revenues.

Comments on New Years Service: 1. The City offered free Muni transit service on New Years Eve in 1998 and 1999. In 1999, Muni estimated that the cost of suspending fees on New Years Eve would be approximately $100,000, including $50,000 in overtime costs and $50,000 in lost fare-box revenues. According to Ms. Harrington, this year's estimated cost of $58,000 of providing free Muni

service on New Years Eve is $42,000 less than last year's cost estimate of $100,000 because of additional lost fare-box revenues resulting from additional riders Muni expected in 1999 for the Millennium celebration.

2. As stated in the Attachment provided by Muni, in 1998, radio station KMEL donated $12,500 to partially offset the total costs incurred by the City and in 1999, KMEL donated $10,000 to the City. As stated in this proposed resolution, the City hopes to cover a portion of expenses resulting from providing free Muni service on New Years Eve with corporate donations. However, as of the writing of this report, it is uncertain as to whether the City will receive such donations this year, according to Ms. Harrington.

B. Muni Pass for University of San Francisco Students

Description of USF Student Pass:

The proposed ordinance would create a Class Pass for University of San Francisco (USF) undergraduate students as a five-month pilot program, beginning on January 1, 2001 and terminating on June 1, 2001. The pass would cost students $12 per month for unlimited use of Muni. All 3,700 undergraduate students that attend USF would be assessed a $12 fee for the Class Pass.

Estimated Cost of Student Pass:

Ms. Harrington advises that Muni has designed the proposed $12 monthly Class Pass for USF students to be cost neutral to the City, as stated in the Attachment provided by Muni. In October of 2000, undergraduate students at USF approved the pilot program to include a "Class Pass" fee as part of every student's tuition payments. If the Class Pass program assesses $12 per month for each of USF's 3,700 undergraduate students, the Class Program would generate approximately $44,400 per month in revenue. According to Ms. Harrington, this amount equals the estimated $44,400 in revenue Muni currently receives from USF students who buy regular-priced Muni Fast

Passes every month. Therefore, Ms. Harrington advises that the proposed Class Pass Program will not cause Muni to lose any revenue.

Comments on Student Pass:

1. The proposed ordinance states that the monthly $12 Class Pass would allow students unlimited use of Muni and BART within the City. However, Ms. Harrington advises that the pilot program would only allow students use of Muni, and that the BART provision was "included as a *possible* future program benefit only and is not intended to represent any currently offered program benefit," as stated the Attachment. The Budget Analyst recommends that the proposed ordinance be amended to delete the provision stating that the proposed Class Pass would entitle USF undergraduate students to use BART within the City.

2. As stated previously, the proposed $12 monthly Class Pass would serve as a as a five-month pilot program, beginning on January 1, 2001 and terminating on June 1, 2001. According to Ms. Harrington, the proposed Class Pass for USF students would be the first of such discounted passes Muni has offered to college-level students. Ms. Harrington advises that Muni would use this five-month trial period to evaluate the success of the program. In addition, Muni is working with USF students and personnel to develop performance measures and evaluation criteria by which to assess the Class Pass pilot program. Ms. Harrington advises that if Muni determines the pilot program to be successful, Muni would expand the program to include additional local colleges and universities.

C. Supplemental Appropriation of $833,296 for Muni

Description of Supplemental:

The proposed ordinance would approve a supplemental appropriation of $833,296 for Muni's Fiscal Year 2000-01 budget to fund the increased cost of diesel fuel. According to Mr. Matthew Hymel of the Controller's Office, Muni's FY 2000-01 approved budget for fuel was $6,035,492. Muni now anticipates exceeding the $6,035,492 budget by $833,296, for a total projected expenditure of $6,868,788 for fuel in FY 2000-01.

Source of Funds:

According to Ms. Harrington, the proposed supplemental appropriation would be funded by increased revenue Muni has projected for Fiscal Year 2000-01. As stated in the Attachment, provided by Muni, Muni expects to exceed its FY 2000-01 budgeted revenues of $397,969,599 by approximately $2,319,140, for estimated total revenues of $400,288,739. As shown in the Attachment, the $2,319,140 in increased revenues is comprised of an estimated $1,200,000 from Passenger Fares, $108,216 from Paratransit Fare Revenue and $1,010,924 from City-owned Parking Garage revenue allocated to Muni.

Comments on Supplemental:

1. As noted above, Muni has requested the proposed supplemental appropriation of $833,296 to fund the increased cost of diesel fuel. In the Attachment, Muni describes the data and the projections it used to calculate the estimated deficit of $833,296 in Muni's fuel budget. In developing Muni's fuel budget for FY 2000-01, Ms. Harrington advises that Muni projected diesel fuel prices to cost approximately $1.12 per gallon in August of 2000, and then to decline through the remainder of FY 2000-01. Instead, Ms. Harrington advises that average cost of diesel fuel in August of 2000 rose to $1.34 per gallon.

2. Ms. Harrington advises that Muni pays market-rate for its diesel fuel and uses approximately 5,365,092 gallons of diesel fuel per year.

Recommendations:

1. Amend the proposed ordinance to delete the provision stating that the proposed Muni Class Pass would entitle USF undergraduate students to use BART within the City, in accordance with Comment No. 1 related to the USF Class Pass above.

2. Approval of the proposed suspension of Muni Fares on New Year's Eve and the Muni Class Pass for USF students is a policy matter for the Board of Supervisors.

3. Approve the proposed supplemental appropriation of $833,296 to fund an increase in Muni's budget for diesel fuel.

Memorandum

To: Harvey Rose, Budget Analyst to the Board of Supervisors
From: David L. Esparza
Through: Gigi Harrington
Date: November 30, 2000
Subject: Request for Information for Finance Committee Meeting Item 8 – File 00-2011

The purpose of this memorandum is to provide information requested by the Budget Analyst for the San Francisco Board of Supervisors about Finance Committee Item 8 – File 00-2011, a matter pertaining to a) the suspension of Muni fares on New Year's Eve and New Year's morning, b) the Class Pass for University of San Francisco students, and c) a supplemental appropriation for fuel.

It should be noted that under the provisions of Proposition E the title of the governing body for the Municipal Railway Department (Muni) is the Municipal Transportation Agency (MTA) and not the "Public Transportation Commission (PTC)" as indicated on the first page of the draft analysis.

Item A: Suspension of Muni Fares on New Year's Eve and New Year's Morning

Expanded services. The Muni is planning to maintain its regularly scheduled New Year's Eve and New Year's morning service and increase the frequency of public transit services on select transit lines, such as Muni Metro, within the projected overtime-cost estimates. Muni estimates that overtime costs will be similar to overtime costs incurred for New Year's Eve 1998 operations. Adjusted for inflation and collective bargaining changes during the last two years, Muni expects to incur approximately $42,000 in overtime costs for New Year's Eve 2000 operations.

Donations to offset Muni operating costs. As indicated in your write-up, the KMEL radio station donated $12,500 in 1998 and $10,000 in 1999 to partially offset Muni costs for providing free public transit services within the City and County of San Francisco. At this time the Muni is unsure of the amount, if any, that will be donated to offset costs to provide free public transit services for the up-coming New year's Eve and New Year's morning, however, although Muni is required to report gifts received to the Board of Supervisors, the Muni doesn't believe it needs explicit approval by the Board of Supervisors to accept and expend the gift.

Lost fare-box revenues and estimated ridership. The Muni does not collect "date-specific" or "transit-line specific" data to determine ridership uses or fare-box revenue gains or losses. Instead the Muni uses National Transit Database operational indices and factors to estimate *total* ridership use of public transit systems, as well as, *total* revenues generated by public transit operations. As a result, we do not have a definitive answer to the question about ridership numbers and gained or lost revenues estimates. Ridership estimates developed by the Muni are more indicative of the department's macro-level services versus micro-level date-specific or transit-line specific operations. As such, our estimates rely on a "reasonableness" test to determine ridership use and revenues gained or lost for any one event.

Using Muni data compiled for the month of September 2000, the last full month for which data exists, public transit fare revenues, excluding paratransit fares, totaled $7,859,227, of

which Muni FastPass (adult, discounted, and youth) sales totaled $3,749,794, or 48 percent, and cash fares totaled $4,109,433, or 52 percent.

Reasonableness argument. Based on this information, we conservatively estimate that for every 100 patrons that board a Muni public transit vehicle, 48 will have purchased a public transit FastPass prior to their trip and 52 will pay cash for their trip (transfers to other public transit vehicles are assumed to be a continuation of the same trip). Therefore, we assume that during the "free-fare" period, for every 100 people that board a Muni public transit vehicle, the Muni will loose $52.00. We assume that between 30,000 and 35,000 people will ride Muni public transit vehicles on New Year's Eve and New Year's morning. Based on the percentage of riders who would typically pay cash, we expect to loose about $16,000 in fare revenues.

Item B: Class Pass for University of San Francisco Undergraduate Students

Cost to provide Class Pass services to students of the University of San Francisco (USF). The Muni has endeavored to work with staff of members of the Board of Supervisors to make the Class Pass program "cost neutral" to the Muni. The initial pilot program will be a cooperative venture between the Muni and the USF and will target the university's roughly 3,700 undergraduate students.

Student survey information provided by the university indicates that 86 percent of those students surveyed would support a "Class Pass" fee included in their tuition payments for public transit services. The Class Pass program was approved by the USF student body in October 2000. In addition, 39 percent indicated that they use public transit three or more times a week. Based on the $35.00 cost of an adult FastPass, a student would have to use public transit in San Francisco an average of 8.3 times per week to break even on his or her investment in a Muni FastPass. If we assume that 85 percent of those students that currently use public transit three or more times per week also purchase a Muni FastPass, then the cost neutral revenue amount for the program is $44,400 per month. The program will assess all 3,700 undergraduate students $12.00 per month for Muni public transit services and, as a result, the program will generate revenues of $44,400 per month. The Muni analysis assumes that on the margin student behavior will change slightly and more students will use public transit, but overall student predisposition to use public transit will not significantly change.

Payments to BART for Class Pass use within San Francisco. Although the Muni resolution contains a provision to include Class Pass use on Bay Area Rapid Transit District (BART) public transit vehicles, this provision was included as a *possible* future program benefit only and is not intended to represent any currently offered program benefit, or an agreement between the Muni and the BART to provide such benefit.

Other colleges and universities participating in a Class Pass program. Currently, only the undergraduate students at the USF have decided to participate in the Class Pass pilot program. Because revenue and cost data for the program are limited, we thought it prudent to start with a rather small benefit population to limit the financial risk to the Muni and the university. We estimate that approximately 136,600 students attend public and private colleges and universities in San Francisco. A number of colleges and universities have expressed interest in a Class Pass program; however, at this time the USF represents both a suitable pilot program population and a student body eager to

initiate the program. The Muni encourages other colleges and universities to participate in the Class Pass program, including the graduate students at the USF. Currently, the Muni does not offer Class Pass programs or public transit benefits to other colleges and universities in San Francisco.

Pilot program evaluation. The Muni is working with students and university personnel to develop performance measures and evaluation criteria by which to assess the Class Pass pilot program. We can provide this information to the Finance Committee, at its request, when such performance measures and evaluation criteria are completed.

Item C: Supplemental Appropriation of $833,296 for Diesel Fuel

FY2000 expenditures for fuel. In FY2000, the Muni budgeted $4,543,370 for fuels and lubricants to purchase approximately 5.6 million gallons of fuel (expenditures for lubricants are insignificant compared to the overall purchase of fuel). The budgeted amount was based on an early-1999 average fuel price of $0.74 to $0.80 per gallon. By end of 1999 and beginning of 2000, the average spot price for diesel fuel had increased to $0.84 per gallon in December, $0.89 per gallon in January, and $0.99 per gallon in February. Information obtained in February from the U.S. Energy Information Administration (EIA) indicated that crude oil prices were expected to increase roughly 27 percent, to $27.65 per barrel, during the first two quarters of 2000 and remain high until the end of the summer. After August and September, crude oil prices were expected to gradually decline through the end of 2001 to about $22.50 per barrel. As a result, in FY2000, the Muni reallocated approximately $414,000 to provide for unexpected higher fuel expenditures.

Table 1: MUNI FY2001 Diesel Fuel Cost Projection

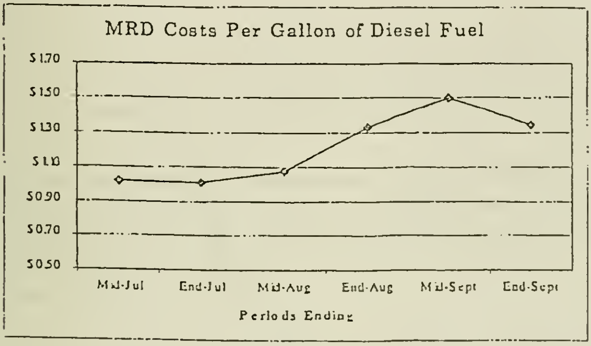
Month	4 Year Average Consumption in Gallons	Cost/Gallon	Total Cost
July	448,770	$1.11	$498,134
Aug	458,776	1.12	513,829
Sept	440,681	1.09	480,342
Oct	465,234	1.08	502,452
Nov	454,268	1.06	481,524
Dec	445,300	1.02	454,206
Jan	425,241	1.02	433,745
Feb	402,701	.98	394,646
Mar	469,582	.95	446,102
Apr	432,237	.91	393,336
May	474,461	.88	417,525
Jun	447,843	.84	376,188
Total	5,365,092	--	$5,392,032
		Initial FY2001 Budget for Fuels and Lubricants:	$4,713,959
		Surplus/(Deficit):	($678,073)

Translation of EIA projections. The translation of the EIA projections into Muni fuel expenditures indicated that the Muni should have expect fuel prices to continue to increase to approximately $1.09 per gallon by the end of FY2000 and for the first quarter of FY2001. The projection would have established the costs for fuel at roughly $1.11 per gallon in July and about $1.12 in August, and then start to decline through the remainder of FY2001. Table 1, above, shows the four-year average fuel consumption for the Muni by month and the projected cost per gallon.

Based on this model, the Muni expected a potential FY2001 budget shortfall of about $680,000 compared to the FY2000 budgeted amount, including additional appropriations.

FY2001 expenditures for fuel. During the first quarter of FY2001, the Muni purchased a total of 1,335,342 gallons of diesel fuel at an average price of $1.21 per gallon. Chart 1 below shows the average price per gallon of diesel fuel paid by the Muni during the first quarter of FY2001.

Chart 1

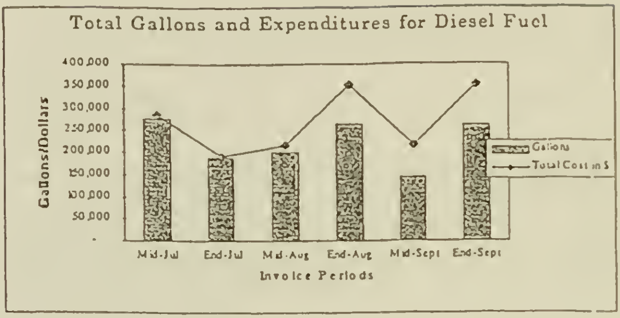


As Chart 1 shows the average price per gallon of diesel fuel remained relatively constant through July until mid-August at $1.02 and a $1.08, respectively, a price variation of 5.9 percent. This cost range is consistent with the earlier projections of the EIA. By the end of August, average diesel fuel prices increased to $1.34 per gallon, or 24 percent above the mid-August average price of $1.08 and by mid-September, the average price for diesel fuel reached $1.50 per gallon before dropping to $1.35 per gallon by the end of September.

Chart 2 shows the total number of gallons and total expenditures for diesel fuel for invoice-periods during the first quarter of FY2001. The significant change in the relationship between the number of gallons purchased and total expenditures is driven by 1) the increase in the average cost per gallon and 2) the change in the number of gallons of diesel fuel purchased during the invoice-period for the end of August. During the invoice-period for the end of August, when the average price per gallon reached $1.34, the Muni purchased 264,521 gallons of diesel fuel. This amount is roughly 64,000 gallons more than the number gallons purchased during the first invoice-period for August and approximately 77,000 gallons more than it purchased during the last invoice-period for July. However, when the average price of diesel fuel reached its highest first quarter peak at $1.50 per gallon during the first invoice-period for September, the Muni reduced the number of gallons of diesel fuel purchased to 143,647 gallons at a total cost of $216,176. During the last invoice-period for September, when the average price of diesel fuel dropped to $1.35 per gallon, the Muni increased its diesel fuel purchases to 260,632 gallons at a total cost of $351,504.

Date: November 30, 2000

Chart 2



Calculation of projected FY2001 fuel budget shortfall. For the first quarter of FY2001, based on invoices received, the Muni expended $1,613,324, or 26.74 percent of it total FY2001 appropriation for fuels and lubricants. If the Muni continues to spend at this rate it will expend $6,453,296 by the end of FY2001. This amount will exceed the Muni appropriation of $6,033,957 for fuels and lubricants by $419,339, or roughly 7 percent. However, because the appropriation includes $413,957 for diesel fuel purchases for six months of South of Market Area (SOMA) services, the shortfall, based on the current rate of spending, is more likely to be $833,296, or about 15 percent of the total appropriation for fuels and lubricants, excluding appropriations for diesel fuel purchases for SOMA. The adjusted shortfall amount assumes that sufficient appropriations have been budgeted for diesel fuel purchases for SOMA s~rvice.

TOTAL P.05

Item 3 - File 00-1996

Department: Real Estate Division (RED)
Recreation and Park Department (RPD)

Item: Resolution authorizing the Director of Property to accept an easement deed over private property for accessible access to the Peace Plaza in Japantown from Geary Boulevard.

Easement Amount: No cost to the City other than estimated Title Insurance and Escrow Fees of $5,240.

Location: The parcel of land affected by the proposed easement is located along Geary Boulevard, east from the Japantown Peace Plaza and located on private property commonly known as Assessor's Block 700, Lot 27. The easement area is approximately 612.25 square feet.

Source of Funds: According to Mr. Charlie Dunn from the Real Estate Division, the funds for the Title Insurance and Escrow Fees will be paid from the RPD's Open Space Operating Funds.

Description: The proposed resolution would grant the City perpetual easement rights, from Miyako Mall, Inc, a California corporation and a wholly owned subsidiary of Kintetsu Enterprises Co. of America (the Owner), to the property located on Geary Boulevard east of the Japantown Peace Plaza. The easement will be used for the purpose of constructing and maintaining a walkway, which will provide disabled access to the Peace Plaza from Geary Boulevard.

According to Mr. Dunn, the Recreation and Park Commission approved acceptance of the easement on April 20, 2000. According to Mr. Dunn, the legislation to accept the easement agreement was submitted to the Board of Supervisors approximately seven months after the RPD Commission approved the easement agreement because of the time it took to survey the parcel of land and then to create a legal description of the easement area from the survey, the time it took to receive approval from the Planning Department for the walkway project, the time it took to negotiate the easement agreement with the Owner and the heavy workload in the RED. Mr. Dunn further states that the walkway design is both consistent with the

Japantown Peace Plaza design and meets ADA (Americans with Disabilities Act) requirements. Mr. Kevin Barteaux from the RPD advises that Competent Construction, who was the low bid in a competitive bid process, was retained to construct both the walkway and renovated the Japantown Peace Plaza at a cost of approximately $20,000 for the walkway and approximately $3,133,000 for the Japantown Peace Plaza paid from Redevelopment Funds, Open Space Funds, General Funds and private donations. Ms. Laura Tanigawa from the Department of Public Works advised that construction of the walkway on Geary Boulevard began in April of 2000 and should be completed by the end of November 2000. Ms. Shannon Maloney of the Department of Public Works states that as of the writing of this report the walkway is substantially completed with only minor corrections to the walkway to be completed such as power washing the walkway.

Comments:

1. According to Mr. Dunn, the Japantown Peace Plaza design originally only had disabled person access from Post Street. However, in order to meet ADA requirements, RPD had to add a second access point from Geary Boulevard, which necessitated the subject easement agreement.

2. The Grant of Easement Agreement provides that the City shall indemnify and hold the Owner harmless from any losses caused by the City's use of the easement. Mr. Donnell Choy of the City Attorney's Office advises that the indemnification and hold harmless provisions in the Grant of Easement Agreement are not unreasonable and are similar to the indemnification and hold harmless provisions contained in other easement agreements which the City enters into for the use of property.

3. The proposed resolution authorizes the Director of Property to enter into any amendments or modifications to the easement agreement that the Director of Property determines, in consultation with the City Attorney, are in the best interest of the City, do not otherwise materially increase the obligation costs or liabilities of the City, are necessary or advisable to effectuate the purpose of the easement and are in compliance with all applicable laws.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

4. The easement agreement also states that the City shall, at no cost to the Owner, repair all structural, cosmetic and other physical damage to the property owned by the Kintetsu Enterprise Co. caused by the construction and use of the walkway and that the City shall commence such repairs no later than 30 days after the date the City learns of such damage. According to Mr. Choy, the inclusion of this provision is a standard inclusion that would hold the City responsible for any damage done in the construction and use of the walkway.

5. The Department of City Planning has found that the proposed acquisition of the easement is in conformity with the City's General Plan and consistent with the Eight Priority Policies of Planning Code Section 101.1

Recommendation: Approve the proposed resolution.

Items 4 and 5 - Files 00-2007 and 00-2096

Department: Department of Human Services (DHS)

Items: Hearing to consider the release of reserved funds in the amount of $453,170 for renovation of the proposed Mission Neighborhood Resource Center facility (File 00-2007).

Resolution authorizing a lease of real property at 165 Capp Street on behalf of the Department of Human Services (File 00-2096).

Location: 165 Capp Street

Purpose of Lease: To provide a neighborhood homeless drop-in and referral center, excluding use as temporary or permanent housing, to be operated by a non-profit provider.

Lessor: Captmond Lau

Lessee: Department of Human Services

No. of Square Feet and Monthly Rental: Approximately 6,500 square feet at a monthly rent of $13,000 per month ($2.00 per square foot per month) for the first 12 months of the subject lease (January 1, 2001 through December 31, 2001). Rent would increase by four percent annually, beginning on January 1, 2002, such that by the last year of the lease, in 2010, the monthly rent would be $18,503 ($2.85 per square foot per month) or $222,036 annually.

Annual Rental Revenues Payable by DHS To Lessor: $156,000 for 2001, increasing by four percent annually.

Source of Funds For Lease: General Fund expenditures appropriated in the DHS FY 2000-01 budget

Term of Lease: January 1, 2001 through December 31, 2010 - Ten Years

Right of Renewal: One five-year option to extend at 95 percent of the then fair market value of the property, to be determined by formula, through independent appraisal.

Utilities, Janitorial And Maintenance Services: The City would be responsible for the cost of electrical, telecommunication, scavenger, water and janitorial services as well as the maintenance and repair of the exterior paint and the normal maintenance and repair of the interior premises (See Comment No. 2).

Insurance: The City would be responsible for reimbursing the Lessor for the cost of property casualty insurance in the amount of approximately $2,500 annually (See Comment No. 3).

Indemnification and Hold Harmless: According to Mr. Steve Legnitto of the Real Estate Division of the Department of Administrative Services, the proposed lease will include a clause wherein the City, as the Lessee, indemnifies and holds harmless the Lessor from, and agrees to defend the Lessor against, any and all claims, costs and losses, including without limitation reasonable attorney's fees, incurred (a) as a result of the City's use of the premises, (b) any default by the City in the performance of any of its obligations under the lease, or (c) any acts or omissions of the City.

Tenant Improvements: Under the subject lease, DHS will be required to pay the Lessor an additional amount of approximately $577,586 (See Comment No. 4) in order to complete the necessary tenant improvements, including, but not limited to telecommunication wiring and equipment, furniture and/or furniture installation, additional electrical wiring, bathroom and shower facilities, an elevator to comply with ADA accessibility requirements, and/or other items necessary to the non-profit, Mission Neighborhood Health Center's program operation within the premises.

Amount of Release Of Reserve Funds: $453,170

Source of Funds: A General Fund Reserve approved by the Board of Supervisors in the amount of $607,519 and reserved by the Finance and Labor Committee in the FY 1999-2000 budget for the DHS. On May 17, 2000, the Finance and Labor Committee released $154,349 of these funds and carried forward the remaining $453,170 in reserved funds to the DHS FY 2000-01 budget.

BOARD OF SUPERVISORS
BUDGET ANALYST

Description: The proposed ten-year lease (File 00-2096) for DHS would provide 6,500 square feet of space to be used as a homeless drop-in and referral center operated by the Mission Neighborhood Health Center, a non-profit organization, that has contracted with DHS for their services in the Mission District, at 165 Capp Street, between 16th and 17th Streets. The proposed request for the release of $453,170 of reserved funds (File 00-2007) would enable DHS to renovate the proposed leased facility, for use as a Mission Neighborhood Resource Center.

In June of 1999, the DHS Division of Housing and Homeless Programs, in partnership with the Department of Public Health (DPH) and the Mayor's Office, began a community planning process with Mission District representatives to develop a Mission Neighborhood Resource Center to serve homeless persons and persons at risk of homelessness in the North Mission District.

The proposed Mission Neighborhood Resource Center would provide drop-in services, including restrooms, showers, snacks, laundry facilities, storage lockers for personal possessions, peer counseling, community activities and support groups. Additional services would include substance abuse and harm reduction services[1], vocational, employment and educational services, and case management and advocacy services designed to provide clients with a system of support, reduce individual and community health risks and offer opportunities to assist individuals in stabilizing their lives.

In February of 2000, DHS issued a Request for Proposals (RFP) to plan for and then operate the proposed Mission Neighborhood Resource Center. Ms. Katherine Durham of DHS advises that this RFP was advertised in the following seven newspapers: (1) San Francisco Independent, (2) El Bohemia News, (3) Sun Reporter, (4) The Bayview, (5) Bay Area Reporter, (6) SF Business Woman, and the (7) Asian

[1] Harm reduction services provide counseling and treatment for individuals engaged in high-risk behaviors (e.g., drug and alcohol abuse, sexual activities) to minimize the harmful impact of such risky behavior on the individual's health. Examples of harm reduction services include counseling on safe sex procedures, clean needle exchange programs, substance abuse alternatives and providing information on access to shelters for individuals that are living on the streets.

Weekly. In addition, Ms. Durham reports that an announcement regarding the RFP was placed on the Purchaser's website and an announcement was sent to DHS's mailing list which contains over 300 contractors. As of the writing of this report, Ms. Durham could not provide the number of actual RFPs that were issued by DHS to prospective proposers.

In March of 2000, the Mission Neighborhood Health Center, acting as the lead agency of a collaborative, was the sole respondent to the RFP to operate the proposed Mission Neighborhood Resource Center. The Mission Neighborhood Health Center collaborative includes the following five non-profit organizations: (1) Mission Neighborhood Health Center, (2) Mission Mental Health, (3) Mission Council on Alcohol Abuse Services for the Spanish Speaking, Inc. (4) The Single Room Occupancy (SRO) Collaborative and (5) Quan Yin Healing Arts Center.

On May 17, 2000, the Finance and Labor Committee of the Board of Supervisors approved the release of $154,349, of the previously established General Fund Reserve of $607,519, to be used to identify a site and to provide community outreach efforts related to the Mission Neighborhood Resource Center. Of the total requested release of $154,349, $54,349 was used by the DHS to award a planning contract to the Mission Neighborhood Health Center to identify a site for the Mission Neighborhood Resource Center facility for the period June 1, 2000 through November 30, 2000 and to provide community outreach efforts related to this project. The remaining $100,000 released by the Finance and Labor Committee, of the total release of $154,349, was to be used for rent payments on the proposed facility site. However, Ms. Durham advises that DHS has not, to date, expended the previously released $100,000 since the 165 Capp Street site for the Mission Neighborhood Resource Center facility was not identified until September of 2000.

On November 16, 2000, the Human Services Commission approved an amendment to the existing $54,349 contract with the Mission Neighborhood Health Center in the amount of $912,637 for the 19-month period from December 1, 2000 through June 30, 2002 to continue their planning efforts and to operate the proposed Mission Neighborhood

Resouce Center facility. Ms. Durham advises that DHS anticipates that the proposed Mission Neighborhood Resource Center will be in operation by May 1, 2001 (See Comment No. 5).

Budget:

Attachment 1, provided by Ms. Michele Byrd of DHS, provides a preliminary cost estimate of \$577,586 for renovation work at the proposed leased facility at 165 Capp Street. Ms. Byrd advises that the additional \$38,000 for the alternate price for the roof patio, to be used as a smoking patio, shown at the bottom of Attachment 1, is not likely to be included since the total projected cost of \$577,586, already includes a second floor outside deck that can be used for smoking on the proposed facility. Ms. Byrd advises that the requested \$453,170 to be released, plus the \$100,000 of previously released funds, that have not been expended, for a total of \$553,170, would be used to fund this renovation work at 165 Capp Street. The Budget Analyst notes that, even excluding the roof patio for smoking, this amount of \$553,170 is \$24,416 less than the total estimated renovation costs of \$577,586 (see Comment No. 6).

Ms. Durham advises that the proposed renovations are necessary because the 165 Capp Street facility is an owner-occupied two-story garment warehouse, that would need to be extensively renovated to be converted for use as a Neighborhood Resource Center. For example, in addition to installing an elevator in the subject two-story facility, the proposed renovations would require the construction of a kitchen, numerous bathrooms, showers, laundry facilities, counseling offices, meeting rooms and examining rooms.

Comments:

1. As shown in Attachment 2, provided by the DHS, the total estimated costs for this project for the 25-month period from June 1, 2000 through June 30, 2002 are \$1,770,276. DHS advises that all of these project costs are to be funded with General Fund monies. The project costs include the \$154,349 in previously released funds for site identification and planning and community outreach efforts, consisting of the \$54,349 planning contract with the Mission Neighborhood Health Center and \$100,000 for the security deposit and rent, which was not previously expended, and is now available for funding tenant improvements.

In addition, Attachment 2 identifies the $453,170, which is the subject of this request to renovate the 165 Capp Street facility, and the $912,637 for the new 19-month operations contract with the Mission Neighborhood Health Center. Assuming a lease start date of December 1, 2000, Attachment 2 identifies $91,000 for seven months of rent for FY 2000-01 and $159,120 for rent for FY 2001-02. However, the Budget Analyst notes that the proposed lease would commence on January 1, 2001, instead of December 1, 2000, such that a one-month savings of rent, or $13,000 would not be needed for such rent payments in FY 2000-01, and such funds would therefore be available for use for the proposed one-time renovation cost.

2. Ms. Durham advises that, as part of the 19-month $912,637 operations contract for the Mission Neighborhood Resource Center, one full-time maintenance/custodian staffperson will be hired to provide the necessary maintenance and repair services and $23,280 has been included to pay for the necessary utility costs at the 165 Capp Street facility, as required under the proposed lease. Therefore, Ms. Durham reports that the costs for the basic utility, janitorial and maintenance requirements contained in the subject lease, have already been included in the recently approved operations contract with the Mission Neighborhood Health Center.

3. Mr. Legnitto advises that, under the subject lease, the DHS would be required to reimburse the landlord for the cost of property casualty insurance in the amount of approximately $2,500 per year. Over the ten-year period of the proposed lease, this would result in a total cost to the City of approximately $25,000, which would be paid directly by DHS to the landlord.

4. According to Mr. Legnitto, the City has entered into a letter of intent with the landlord and the landlord will be responsible for hiring the construction contractor to complete the requested renovations, at an estimated cost of approximately $577,586 to be paid for by the City. The Budget Analyst recommends that the City include a maximum amount of $577,586, plus a ten percent construction contingency of $57,759, for a total construction amount of $635,345 to be paid for the subject renovations.

Mr. Legnitto advises that the subject renovations would become part of the landlord's property at the termination of the lease. However, Mr. Legnitto reports that the City will not be required to remove such improvements or to restore the facility to its original configuration. According to Mr. Legnitto, the subject initial lease costs of $2.00 per square foot per month for the first 12 months of the lease represents the fair market value for the subject property. Mr. Legnitto advises, that although the subject property is not currently for sale, it is estimated that the cost to purchase the subject building would be approximately $1.7 million. The Budget Analyst notes that excluding the costs to renovate the subject building or to operate the proposed Mission Neighborhood Resource Center, over the ten year period of the proposed lease, the DHS will incur lease costs of $1,872,936, or approximately $172,936 more than it would cost to purchase the subject building at today's fair market value. Assuming a discount rate of seven percent, the net present value of such lease payments would be $1,287,098, or approximately $412,902 less than the potential purchase price.

5. Mr. Legnitto advises that although the proposed lease would begin on January 1, 2001, the proposed renovations would not be completed until approximately the end of April of 2001. According to Ms. Byrd, this schedule would allow for an opening of the proposed Mission Neighborhood Resource Center by approximately May 1, 2001, which is anticipated in the proposed operations contract with the Mission Neighborhood Health Center. Mr. Legnitto reports that as a result of delays in the negotiations for the subject lease, and in order to keep the lease rates as originally negotiated, the City agreed to begin the lease on January 1, 2001, although the renovations will not be completed until approximately the end of April of 2001 and the operation of the facility will not begin until approximately May 1, 2001, four months later.

6. The Budget Analyst notes that the preliminary cost estimate for the renovations is $577,586, or $24,416 more than the available funds of $553,170 ($453,170 of subject funds requested for release plus $100,000 in previously released unexpended funds). This shortfall does not include the additional potential $38,000 for an alternate price for the roof patio, which DHS advises is not expected to be

required. The DHS reports that the preliminary cost estimates of $577,586 for the renovation costs were prepared by an architect for the Mission Neighborhood Health Center, and advises that these preliminary costs are subject to revision based on the submittal of bids for the actual constructicr work by general contractors.

7. Attachment 3, provided by Ms. Julie Brenman of DHS identifies and breaks down the total $1,800,000 of General Fund monies appropriated in the FY 2000-01 DHS budget for Resource Centers in the City, including the Mission Neighborhood Resource Center. As shown in Attachment 3, a total of $531,613 of General Fund monies is available for the Mission Neighborhood Resource Center in FY 2000-01. This includes the (1) $262,679 contract with the Mission Neighborhood Health Center, (2) $91,000 for rent payments (which can be reduced by $13,000 as noted in Comment No. 1 above), (3) $82,175 for the construction costs to cover a ten percent contingency of $57,759 plus the $24,416 previously identified shortfall of funds, (4) 57,759 for architectural fees and (5) $38,000 for the smoking patio.

The Budget Analyst questions the inclusion of $38,000 for the alternate roof patio, to be used as a smoking patio, when the Budget Analyst was previously advised that this roof patio is not likely since a second floor outside deck for smoking was already proposed to be included in the facility. In addition, the Budget Analyst recommends a $13,000 reduction for the rent during the month of December, 2000, for a total reduction of $51,000 ($38,000 plus $13,000) in the subject request. However, Ms. Brenman notes that whether or not the roof patio to be used for smoking will be constructed will be determined by the Department of Building Inspection's (DBI) permit that is ultimately approved. In addition, Ms. Brenman advises that the budgeted expenses for FY 2000-01 for the City's Resource Centers already exceed the total budgeted funds by $32,088, such that there may not be sufficient funds available to construct the roof patio, or that other reductions in contingencies or construction costs will be required.

Recommendations:

1. Reduce the requested release of $453,170 of reserved funds by $51,000, including $13,000 for one month of rent which will not be needed and $38,000 which would be used for a smoking patio on the roof, to $402,170 and continue to reserve $51,000 (File 00-2007).

2. Include a maximum amount of $577,586, plus a ten percent construction contingency of $57,759, for a total maximum construction cost of $635,345 in the subject lease to be reimbursed to the landlord for the subject renovations (File 00-2096).

3. Given that (1) only one agency responded to DHS's RFP, (2) the City would enter into the lease and begin making lease payments on January 1, 2001, approximately four months before the Mission Neighborhood Resource Center is renovated and operational and (3) the renovation costs are based on preliminary architectural estimates that are subject to revision based on the submittal of bids for the actual construction work by general contractors, the Budget Analyst considers approval of the proposed lease (File 00-2096) and release of $402,170 of reserved funds (File 00-2007) to be policy matters for the Board of Supervisors.

PRELIMINARY COST ESTIMATE
MISSION NEIGHBORHOOD RESOURCE CENTER

DESCRIPTION	COST
GENERAL CONDITIONS	$30,000
DEMOLITION	3,080
CONCRETE RELATED WORK	1,665
ROUGH CARPENTRY	3,875
FINISH CARPENTRY	11,645
CABINETRY	31,600
BUILDING INSULATION	5,620
CAULKING AND SEALANTS	1,200
WOOD DOORS	7,500
FINISH HARDWARE	8,950
ROLL-UP DOORS	5,000
STORE FRONT	7,000
METAL STUDS & DRYWALL	50,160
ACOUSTIC CEILING	22,572
FLOORING & BASE	33,425
PAINTING	17,216
ELEVATOR	75,000
MISC. SPECIALTIES	4,270
HVAC	10,000
PLUMBING	60,160
FIRE PROTECTION	15,048
ELECTRICAL	56,430
KITCHEN EQUIPMENT	24,300
SUB-TOTAL - DIRECT COST:	$473,596
BUILDING PERMIT	23,680
LIABILITY INSURANCE	9,271
GENERAL CONTRACTORS FEES	71,039
TOTAL PROJECTED COST:	$577,586
ALTERNATE PRICE FOR ROOF PATIO	38,000

	SOURCE OF FUNDS				
	Original reserve lifted 6/00	This request for release of reserve	DHS operating budget for 00-01 *	DHS operating budget for 01-02	Total 99/00 – 01/0
PURPOSE OF FUNDS					
Planning Contract	$ 54,349				$54,349
Security Deposit/Rent/ Tenant Improvements	$100,000 **	$453,170	$91,000 *(rent for 7 months)*	$159,120 * *($156,000 annual rent + 4% increase effective 1/1/02)*	$803,290
Operations Contract			$262,679	649,958	$912,637
Total	$154,349	$453,170	$353,679	$809,078	$1,770,276

* Assumes a lease, with the City and County of San Francisco, effective December 1, 2000 and an Center opening date May 1, 2001

** The $100,000 earmarked for security deposit in the original planning contract was not needed and therefore will be rolled into construction/renovation. This provision was part of the planning contract. Therefore a total of $553,170 is available for construction/renovation.

Resource Center Budgets

$ 1,800,000 FY 00-01 Budget

South Beach Resource Center

$	726,671	CATS- South Beach contract

Bayview Resource Center

$	463,805	United Council - Bayview contract
$	50,000	United Council - Kitchen Supplies/Worker

Multiple Centers

$	10,000	HAP Manuals - resource directory
$	50,000	United Council & South Beach - winter staff

Mission Resource Center

$	262,679	MNHC- Mission contract
$	91,000	Mission Rent
$	82,175	Mission Construction (in excess of reserve request; includes 10% contingency)
$	57,759	Mission Architectural Costs (10% of construction costs)
$	38,000	Smoking Patio (may have to build depending on DBI ruling)

$531,613 Total

$	1,832,088	Total
$	(32,088)	Difference

We will absorb the difference either by not doing the smoking patio or by not needing the full amount of contingencies.

Notes:

The last three items (in red) were not included in the 11/7 memo from T. Rhorer. They are:

$82,175 is comprised of:

The actual construction estimate has come in at $577,586, not $553,170

We had not previously included the estimate of contingencies at 10% of the construction cost

In addition, there is a potential $38,000 cost for a smoking patio

We had not previously included the estimate of architectural fees at 10% of the construction cost

Item 6 - File 00-2009

Department:	Residential Rent Stabilization and Arbitration Board (Rent Board)
Item:	Release of reserves in the amount of $175,000 to pay for a Housing Study.
Amount:	$175,000
Source of Funds:	General Fund Reserve

Description:

In March of 2000, the Board of Supervisors approved a supplemental appropriation and placed on reserve $175,000 for the Rent Board to conduct a comprehensive fact-based socio-economic study of housing in San Francisco. The $175,000 was placed on reserve pending submission to the Board of Supervisors of (a) the selected consultant, (b) the estimated number of hours and (c) the hourly rates of the selected consultant.

According to Mr. Joe Grubb of the Rent Board, a Request for Qualifications (RFQ) to conduct the comprehensive fact-based socio-economic study of housing in San Francisco was issued to ten applicants on July 10, 2000. Mr. Grubb advises that the Rent Board received two responses: (1) Bay Area Economics Consulting Team in the total amount of $174,940 and (2) John Paxton, a local real estate sole practitioner, at the rate of $140 per hour, with no cost projection for the entire project. The Bay Area Economics Consulting Team submitted their response as part of a consortium, including (1) Bay Area Economics, a Women Business Enterprise (WBE) firm with offices in Berkeley and San Francisco, that specializes in housing analysis and urban development, (2) Dyett & Bhatia, a San Francisco Minority Business Enterprise (MBE) firm specializing in urban planning, housing and policy analysis, (3) Dr. John Landis, a Professor of City and Regional Planning at U.C. Berkeley specializing in affordable housing and regional growth management and (4) Dr. Michael Smith-Heimer, a Professor of City and

Regional Planning at U.C. Berkeley specializing in affordable housing and finance.

According to Mr. Grubb, the Bay Area Economics Consulting Team was selected to conduct the Housing Study because of their superior proposal and experience. Attachment I identifies the hourly rates that the Bay Area Economics Consulting Team will charge for the proposed Housing Study. Attachment II identifies the 1,584 total hours that the Bay Area Economics Consulting Team would allocate to four phases of the proposed study, for a total cost of $174,940 or an average hourly rate, including expenses, of $110.44.

Comments:

1. Mr. Grubb advises that the Bay Area Economics Consulting Team intends to meet with the interested parties (i.e., tenant organizations and apartment owner associations) in an attempt to refine the number of issues that are to be addressed in the Housing Study.

2. According to Mr. Grubb, if the proposed request for the release of reserved funds is approved, he anticipates authorizing the Bay Area Economics Consulting Team to begin their work immediately and that the proposed Housing Study would be completed within approximately one year, or by the end of December of 2001.

Recommendation: Release the reserved funds, as requested.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

BOARD OF SUPERVISORS
BUDGET ANALYST

Hourly Rates

BAE

Principal	$175.00/hr
Senior Associate	$125.00/hr
Associate	$85.00/hr
Analyst	$65.00/hr

Dyett & Bhatia

Principal	$140.00/hr
Senior Associate	$85.00/hr
GIS Specialist	$72.50/hr
Associate	$70.00/hr
Assistant Planner	$57.50/hr

Advisors

Dr. John Landis	$175.00/hr
Dr. Michael Smith-Heimer	$175.00/hr

Attachment II

Budget for SF Affordable Housing Study

	Principal	Senior Associate	Analyst	Advisor	Total
Hourly Rate	$ 175	$ 125	$ 65	$ 175	
TASK					
Phase I: Project Scoping					
1: Meet w/Study Moderator	3	0	3	0	6
2: Categorize Issues	8	0	12	0	20
3: Prepare Draft Scope	4	4	0	0	8
4: Review Draft Scope	8	8	3	4	23
5: Finalize Scope	4	0	0	0	4
Subtotal Labor	*27*	*12*	*18*	*4*	*61*
Phase II: Data Collection & Analysis					
6: Collect/Analyze Demand Data	8	80	30	4	122
7: Collect/Analyze Supply Data	12	80	40	4	136
8: Create Housing Databook	20	40	20	4	84
Subtotal Labor	*40*	*200*	*90*	*12*	342
Phase III: Survey Research					
9: Conduct Citywide Tenant Survey	12	85	600	15	712
10: Conduct Landlord Survey	12	65	200	15	292
Subtotal Labor	*24*	*150*	*800*	*30*	*1004*
Phase IV: Report					
11: Prepare Draft Report	25	50	30	8	113
12: Review/Revise Report	12	20	4	4	40
13: Present Report	8	12	4	0	24
Subtotal Labor	*45*	*82*	*38*	*12*	*177*
Labor Through Phase IV	$ 23,800	$ 55,500	$ 61,490	$ 10,150	$ 150,940
Expenses Through Phase IV					$ 24,000
Total Through Phase IV					$ 174,940

1,584 Total Hours

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, December 20, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

MEETING CONVENED

The meeting convened at 10:10 a.m.

REGULAR AGENDA

002066 **[Pacific Bell Contract]**

Supervisor Katz

Ordinance approving contract with Pacific Bell providing for the purchase of a variety of telecommunications services.

(Fiscal impact.)

11/20/00, RECEIVED AND ASSIGNED to Public Utilities and Deregulation Committee.

12/12/00, TRANSFERRED to Finance and Labor Committee. Transferred at the direction of the President dated December 11, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Liza Lowery, Executive Director, Department of Telecommunications and Information Services.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002112 **[Settlement of Claim, Pacific Bell]**

Supervisor Katz

Resolution authorizing settlement of 14 claims against Pacific Bell in the amount of $825,000 for overcharges between September 1987 and February 1998.

12/4/00, RECEIVED AND ASSIGNED to Audit and Government Efficiency Committee.

12/12/00, TRANSFERRED to Finance and Labor Committee. Transferred at the direction of the President dated December 11, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Julia Friedlander, Deputy City Attorney.

RECOMMENDED.. by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001944 **[Government Funding, $89,000, Department of Environment]**

Supervisors Ammiano, Bierman, Leno

Ordinance appropriating $89,000 from the General Fund Reserve for the Department of Environment to fund the community window on the cleanup of the Hunters Point Shipyard that serves as the central location for the community on information, cleanup and emergency alert, for fiscal year 2000-01.

10/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

12/4/00, SUBSTITUTED. Supervisor Ammiano submitted a substitute ordinance bearing new title.

12/4/00, ASSIGNED to Finance and Labor Committee. Sponsor requests this item be scheduled for consideration at the December 6, 2000 meeting.

12/6/00, CONTINUED. Heard in Committee. Speakers: Supervisor Ammiano; Angelo King, Southeast Roundtable; Jill Fox, Hunters Point Shipyard Restoration Advisory Board; Lynn Brown, Community For Better Environment; Jessie Mason; Scott Madison, Hunters Point Shipyard Citizens Advisory Committee; Olen Webb, Bayview Hunters Point Community Advocates; Karen Pierce; Saul Bloom, Director, Arc ecology.
Continued to December 20, 2000.

Speakers: None. Continued at the request of sponsor.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Ammlano
Absent: 1 - Bierman

001798 **[Extension of Sunset Clause - Utilization of Bid/RFP process for awarding of Parking Authority lease and management contracts]**

Supervisor Newsom

Ordinance amending Section 17.11(a) of the San Francisco Administrative Code to extend the authorization of the Parking Authority to utilize a Bid/RFP process for the awarding of all leases and management agreements for the use or operation of parking facilities. (Parking and Traffic Department)

11/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ronald Szeto, Acting Director, Parking Authority.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002148 **[Amendment to Fiscal Year 00-01 Patient Rates for the Department of Public Health]**

Ordinance amending Part II, Chapter V, of the San Francisco Municipal Code (Health Code) by amending Section 128 thereof, to fix patient rates for services furnished by Department of Public Health, effective January 1, 2001. (Public Health Department)

12/6/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002068 **[Government Funding, San Francisco General Hospital]**

Mayor

Ordinance appropriating $1,532,400 from Reserve-designated for one-time expenditures to fund the cost of medical and laboratory equipment for the San Francisco General Hospital for fiscal year 2000-01.

(Fiscal impact.)

11/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002133 **[Grant funds to improve services to seriously mentally ill in San Francisco]**

Supervisors Leno, Newsom

Resolution authorizing the Department of Public Health, Community Mental Health Services, to accept retroactively and expend SAMHSA Mental Health Block Grant funds of $2,110,871 from the State Department of Mental Health to improve the system of care services for seriously emotionally disturbed children and severely mentally ill adults; providing for ratification of action previously taken. (Public Health Department)

12/4/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Department requests this item be calendared at the December 20, 2000 meeting.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Nancy Presson, Community Mental Health Services, Department of Public Health.

RECOMMENDED.. by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001583 **[Reserved Funds, Department of Public Health]**

Hearing to consider release of reserved funds, Department of Public Health, (Ordinance No. 308-98, Mangini settlement revenue), in the amount of 248,579 to fund Phase III of the tobacco prevention program. (Public Health Department)

11/27/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Chief Financial Officer, Department of Public Health. Release of reserved funds in the amount of $248,579 approved.

APPROVED AND FILED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001959 **[Government funding, Airport capital improvement projects]**

Supervisor Newsom

Ordinance appropriating $671,165,000 of San Francisco International Airport infrastructure Bond proceeds to fund various capital improvement projects for fiscal year 2000-2001. (Controller)

11/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

11/29/00, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; John Martin, Airport Director. Amended to place $212,686,188 on reserve; new title.

AMENDED.

Ordinance appropriating $671,165,000 of San Francisco International Airport infrastructure Bond proceeds to fund various capital improvement projects for fiscal year 2000-2001; placing $212,686,188 on reserve. (Controller)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001603 [Airport Curbside Management Program]

Resolution authorizing the Airport Commission ("Commission") to approve the continuation of a contract with ShuttlePort/DAJA SFO Joint Venture to operate the Airport Curbside Management Program for up to four additional one year options commencing November 15, 2000. (Airport Commission)

(Fiscal impact.)

9/11/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
9/27/00, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Barry Taranto, United Taxicab Workers.
11/15/00, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; John Martin, Airport Director; Bob Planthold; Andrew Fennes, Vice President, Northern California Livery Group; David Lipschultz, Virgin Limousines; Bill Wheeler, Blacktie Transportation; Derick, Super Shuttle; Mark Gleason, President, Teamsters Local 665; Bill Klinke, Operating Engineers Local 3; Barry Taranto, United Taxicab Workers; Ellis Ross Anderson, Attorney, South and East Bay Airport Shuttle.

TABLED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001895 [Reserved Funds, Department of the Environment]

Hearing to consider release of reserved funds, Department of the Environment (Fiscal year 2000-2001 Budget), in the amount of $146,244 to implement the department's energy conservation programs. (Environment)

10/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
11/29/00, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speaker: Harvey Rose, Budget Analyst. Continued at the request of department.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002015 [MOU, Amendment No. 2 - International Brotherhood of Electrical Workers, Local Union No. 6]

Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local Union No. 6 and the City and County of San Francisco by appending the following list of past practices pursuant to Article VI.C. of the Memorandum of Understanding. (Human Resources Department)

11/9/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Employee Relations Division, Department of Human Resources.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002055 **[Municipal Transportation Agency Board Compensation]**

Resolution establishing compensation for the Municipal Transportation Agency Board of Directors commencing on August 1, 2000 in the amount of $300 for each meeting attended, not to exceed $10,800 per fiscal year. (Public Transportation Commission)

11/15/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Laura Spanjian, Municipal Railway; Jim Chappell, President, SPUR; Jim Haas.

TABLED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002048 **[Approving San Joaquin River Group Authority Joint Powers Agreement and Division Agreement]**

Resolution approving the San Joaquin River Group Authority Joint Exercise of Powers Agreement and Division Agreement and authorizing the President and General Manager of the Public Utilities Commission to execute these agreements on behalf of the City and County of San Francisco. (Public Utilities Commission)

11/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ellen Levin, Water Resources and Policy Analyst, Public Utilities Commission, Bureau of Strategic and Systems Planning.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002047 **[Reserved Funds, Sheriff's Department]**

Hearing to consider release of reserved funds, Sheriff's Department (Fiscal Year 2000-01 Budget), in the amount of $1,279,051 to defray overtime costs. (Sheriff)

11/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff. Amended to release reserved funds in the amount of $1,379,072.

APPROVED AND FILED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

002132 **[Gift Acceptance, Department of Aging and Adult Services]**

Supervisors Leno, Newsom

Resolution authorizing the Director of Aging and Adult Services to accept and expend a gift from the San Francisco Hospital Council, acting through Health Plus Services, in the amount of $37,000 for the creation of a liaison program between the Public Guardian and member hospitals. (Adult and Aging Services)

2/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ricardo Hernandez, Public Administrator/Public Guardian.

RECOMMENDED.. by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

ADJOURNMENT

The meeting adjourned at 12:15 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

December 14, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: December 20, 2000 Finance and Labor Committee Meeting

Item 1 – File 00-2066

Department: Department of Telecommunications and Information Services (DTIS)

Item: Ordinance approving amendments to the City's telecommunications contract with Pacific Bell, providing for the purchase of a variety of telecommunications services.

Description: On June 26, 1990, the City signed a contract with the Pacific Bell Telephone Company (Pacific Bell), and its business units and affiliates, for telecommunications services to be provided to the City. Current addenda to this telecommunications contract are due to expire on December 30, 2000[1]. Under the subject resolution, this

[1] According to Ms. Julia Friedlander of the City Attorney's Office, the Master Agreement for Provision, Installation, and Maintenance of Telecommunications Service has no fixed duration and no contract amount. In 1990 Pacific Bell was the only provider of most telecommunications services in the heavily regulated California local telecommunications market. Its prices were set by tariff, under terms and conditions regulated by the California Public Utilities Commission (CPUC), and the City purchased services without contracts at tariff rates. Since 1990, the City has progressively negotiated prices which are lower than the tariff rates by means of City-specific contracts or purchase orders under State of California contracts. These contracts are in the form of addenda to the Master Agreement, or Authorizations to Order (ATOs), and they have had terms of varying lengths (typically three to five years). The most recent addenda have an expiration date of December

telecommunications contract would be amended to encompass a wider range of services. The amended telecommunications contract would comprise:

- An amended Master Agreement for Provision, Installation, and Maintenance of Telecommunications Service (Master Agreement) which sets out the general terms for the City's purchase of services from Pacific Bell.
- Four new Authorizations to Order (ATOs) which provide for the purchase of particular additional services.
- Three new addenda which provide for the purchase of particular additional services.

The specific telecommunications contract amendments proposed by the subject resolution are as follows:

- Amendment No. 2 to the Master Agreement: this would update the Master Agreement to include current standard City contract terms.
- Amendment No. 3 to Exhibit C of the Master Agreement: this would update Exhibit C of the Master Agreement to include current standard City contract terms.
- Four ATOs: these would provide for the purchase of the business access line, local call, local toll call, frame relay, and Centrex services[2] for a period of five years under a competitively bid contract entered into on

---

30, 2000, but the Master Contract itself is ongoing. Once the addenda expire, however, there would be no governing price vehicle in place to maintain existing prices.

In response to a question by the Budget Analyst regarding Board of Supervisors approval for the Master Agreement, Ms. Friedlander advises that the historic records are inconclusive, but appear to suggest that the Board of Supervisors did not consider the Master Agreement in 1990. Ms. Friedlander suggests that this might have been because the Master Agreement was interpreted as a master set of terms for the purchase of services and did not commit the City to purchase any particular services for any particular duration at any particular time. According to DTIS staff, subsequent addenda have also not been subject to Board of Supervisors approval because they were secured under a State of California contract which preceded the current CalNet Contract.

[2] The Pacific Bell Measured Business Access Line Service gives government customers access to Pacific Bell's local call and local toll call network, and to long distance carrier networks. Frame Relay and Asynchronous Transfer Mode Services are high speed, wide area, data transfer services intended for data applications which are characterized by bursts of traffic across a wide geographical area. The Centrex Service is a central office-based communications system capable of receiving direct in-dialed and direct out-dialed calls.

December 4, 1998 between the State of California, Pacific Bell, and MCI/Worldcom (CalNet Contract).

- Addendum 12: this would extend existing arrangements by providing for the purchase of PBX trunk, advanced digital network, high capacity, super trunk, and primary rate integrated services[3] for a period of three years.
- Addendum 13: this would extend existing arrangements by providing for the purchase of voice mail and call management services[4] for a period of three years.
- Addendum 14: this would extend existing arrangements by providing for the purchase of internet access services for a period of three years.

Annual Cost to the City of the Amended Contract:

If the current volume and mix of telecommunications services purchased by the City remained the same, the annual cost to the City of the amended contract would be an estimated $4,480,477 per year, as shown in Attachment I, provided by DTIS. This estimated cost, based on an annualization of contract costs in April of 2000, represents an estimated saving of $851,536 per year over the current estimated annual cost of $5,332,013.

According to DTIS staff, the costs shown in Attachment I are based on the annualization of one month's costs because:

- The City's telecommunications service usage varies enormously month by month due to special events (such as elections, large public occasions, or departmental relocations). DTIS staff advise that April of 2000 represented a reasonably "average" month in that there were no special events held during it. This monthly service usage variation, combined

[3] The PBX Trunk Service connects a user's private branch exchange (PBX) to Pacific Bell's software and the public telephone network. The Advanced Digital Network Service provides low speed data transmission. The High Capacity Service provides moderate speed voice and data transmission. The Super Trunk Service uses a high capacity line to provide multiple digital channels to private voice and data transmission software. The Primary Rate Integrated Service provides high speed transmission of voice, data, video, and other forms of customer information.

[4] The Voice Mail Service provides messaging services. The Call Management Service provides voice mail, announcement, interactive audiotext, call routing, and voice response services.

with the significant overall growth in service usage, renders annual comparisons meaningless.

- The service inventories which formed the basis of the contract negotiations between the City and Pacific Bell (see Comment No. 3) were based on a set of "snapshots" of individual months of the City's service expenditures. These samples were taken at varying points during the contract negotiations to verify their accuracy.

Comments:

Contract scope and cost

1. Mr. Shawn Allison of DTIS states that the Pacific Bell contract provides telecommunications services to (a) 62 client departments, (b) additional organizations which receive services included under the terms of that contract (for example, the Zoo and the Museums of Fine Arts), and (c) mission-critical telecommunications services such as 911 calls. These telecommunications services are spread out over more than 300 public buildings, comprising thousands of pieces of telecommunications equipment, in San Francisco, on the Peninsula, and at the City's Sunol and Hetch Hetchy facilities.

2. As noted above, the costs shown in Attachment I are based on the annualization of one month's costs. The savings projected in Attachment I are therefore based on the current mix and volume of telecommunications services used by the City. As shown in Attachment I, DTIS staff estimate that the proposed contract amendments would result in aggregate savings to the City of approximately 16 percent, for its current mix and volume of services. Mr. Brian Roberts of DTIS notes that the percentage change in cost for each service is not uniform, but varies from service to service, so that the actual overall percentage reduction would depend on the mix of services purchased by the City. Furthermore, the total volume of services is constantly growing, so the reduced per unit rates might not result in reduced spending for telecommunications services overall. However, if the City's volume and mix of telecommunications services did not change, the proposed contract amendments would result in savings of approximately \$851,536 per year, from an estimated

$5,332,013 to an estimated $4,480,477 per year. DTIS staff note that the City's actual purchases under the amended contract would cost less per unit than it would have cost if it had been purchased under the existing contract (with the exception of voice mail services, as explained in Comment No. 18).

3. According to Mr. Allison, the estimated reduction in contract cost reflects DTIS's improved inventory of City departments' voice and data transmission use. DTIS began the process of developing and monitoring this inventory in December of 1999. At the same time, Pacific Bell developed an improved inventory of the voice and data transmission services for which it bills the City. By being able to compare the two complete inventories for the first time, Mr. Allison states that the City is able to negotiate lower rates for its telecommunications services due to the overall volume of the voice and data transmission services it is using. According to Mr. Allison, this comparison had not occurred earlier because, prior to the creation of DTIS in FY 1997-98, the City's telecommunications services had been managed by a number of different departments and no single department had responsibility for the telecommunications services being consumed by the City. Consequently, no single department had been responsible for identifying departments' needs, or for determining potential economies of scale.

4. Mr. Allison states that if the Board of Supervisors does not approve the subject contract amendments, then Pacific Bell would commence charging its standard, non-discounted tariff rates[5] beginning January 1, 2001. This would cost the City approximately $6,550,000 per year, an approximately 46.2 percent increase over the proposed contract cost of $4,480,477 per year shown in Attachment I which is based on annualization of the service usage and mix in April of 2000.

[5] According to Mr. Roberts, the tariff rate is a statewide, generally available published scale of rates and charges established by Pacific Bell and approved by the California Public Utilities Commission.

City telecommunications planning

5. The Telecommunications Commission and DTIS are currently developing the City's Comprehensive Telecommunications Plan. According to DTIS, the City's Comprehensive Telecommunications Plan will provide strategic direction for the City's future telecommunications procurement decisions by developing an inventory of the City's telecommunications needs, considering how the City could enhance the efficiency of its telecommunications usage, and analyzing the financial impact and feasibility of a number of future options for procuring telecommunications services. These options include dividing the services among providers, purchasing a full bundle of services from a competitive provider, and/or providing some services through the City's own infrastructure.

6. DTIS began working on its Comprehensive Telecommunications Plan in late 1997 with a survey to identify telecommunications carriers available in San Francisco. This resulted in a report, *Survey of Telecommunications Companies Doing Business in San Francisco* (December, 1998), researched by the Media Connections Group between late 1997 and late 1998. However, due to DTIS staffing changes and other research related to the plan, an RFP process for a comprehensive survey of all City departments' telecommunications needs was not released until August of 1999. RCC Consulting, the successful contractor, did not begin the survey until 2000. According to Mr. Roberts, for the Comprehensive Telecommunications Plan to have been useful during the City's contract negotiations with Pacific Bell, it would have had to be complete by late 1999. Instead, the plan is due to be completed in early 2001. After that, DTIS estimates that it will take a further 24 months to complete a comprehensive competitive bid process to determine the City's future telecommunications service providers. Mr. Allison and Mr. Roberts state that this 24-month timeframe reflects:

- The City's complexity as a client (see Comment No. 1 above).

- DTIS's need to complete a detailed assessment of client departments.
- The time required to write and release a comprehensive RFP.
- The time it would take bidding vendors to develop well considered bids, given the complexity of the project.

7. According to Mr. Allison, given the complexity of the City's network, if the winner of the above RFP process is a company other than Pacific Bell, the implementation time to install new facilities and telephone numbers would take a further nine to 12 months, at a minimum.

Competition

8. According to DTIS, while some of the services included in the subject telecommunications contract and its proposed amendments are individually competitively available today, at least within specific City locations, the full bundle of telecommunications services required by the City are not currently available from a single provider other than Pacific Bell. Mr. Roberts advises that this assessment was made through:

- The competitive bid process undertaken by the State of California in 1998 to establish the CalNet Contract. This contract was awarded by the State of California to Pacific Bell and MCI/Worldcom.
- The *Survey of Telecommunications Companies Doing Business in San Francisco* (December, 1998), noted above. This survey report found that Pacific Bell competitors served only a small fraction of the City's geographic area. While some of these carriers have expanded their networks since 1998, they still only cover a small fraction of the City's geographic area.
- The facts that (a) only a limited number of telecommunications services (for example, internet access services) can be split off from the underlying network services, and (b) many competitor telecommunications companies would have to lease portions of their communications infrastructure from Pacific Bell.

- DTIS's April of 1999 experience in attempting to competitively bid voice management services. No proposals were received due to the complexity of the services required by the City.
- Concern that splitting up the City's telecommunications needs would result in competing telecommunications companies providing services in high-density areas within the City, while low-density and outlying areas would have to be serviced by Pacific Bell, which would take these increased costs into account in any rates it offered the City.
- Concern that contracting with a number of telecommunications service vendors would significantly increase DTIS's administration and accounting costs. According to Mr. Allison, Pacific Bell currently provides an integrated process for ordering new services, as well as a single number on which to report service problems. This results in easy access for DTIS and client departments which generate approximately 1,000 orders per month and varying numbers of problem reports. Mr. Allison asserts that dividing this workload amongst several vendors would require at least two to four new DTIS staff to distribute orders and problem reports to the correct vendors, and to deal with the increased complexity of the billing process and the concomitant increase in billing errors. DTIS staff advise telecommunications vendors do not coordinate orders between their systems in order to automate the billing process, have difficulty in developing ordering and billing systems which accurately reflect the services used, and sometimes still rely on paper-based systems. DTIS staff state that it is the customers who must accurately distribute orders for specific services to the appropriate vendor[6].
- Pacific Bell has committed to supporting the City's contract through its Major Accounts Center (see Comment No. 23 below). A reduction in the City's expenditure on Pacific Bell services would result in Pacific Bell discontinuing this higher level of contract

[6] There are third-party companies which provide network management services. If the City contracted with three telecommunications service providers, such a company could manage the more complicated ordering and billing procedures which would result. However, DTIS staff advise that such a contract would cost between $1,000,000 and $2,000,000 annually.

support, thereby increasing the reliance on DTIS facilities and maintenance staff.

9. Based on the above issues, DTIS believes that purchasing telecommunications services as a bundle from one provider for between three and five years provides the City with an opportunity to decide how best to procure telecommunications services in the future, given ongoing changes to the telecommunications marketplace. Consequently, it chose not to conduct a RFP process to determine the provision of telecommunications services to the City for the near future. Instead, DTIS attempted to negotiate an interim contract with Pacific Bell for as short a contract extension as possible. DTIS initially aimed for a two-year extension, but Pacific Bell's price offerings for that timeframe were unacceptably high.

In all, Pacific Bell made five price offerings. The last, which is the subject of this proposed ordinance, comprises two sets of services:

- For traditional voice services (business access line, local call, local toll call, and Centrex services), plus certain frame relay services, Pacific Bell proposes that the City use the existing CalNet Contract for five years (see Comments No. 12 through 14 below).
- For PBX trunk, advanced digital network, high capacity super trunk, primary rate integrated, voice mail, call management, internet access services, and those frame relay services which are not offered under the CalNet Contract, Pacific Bell proposes that the City enter into three-year contracts (see Comments No. 15 through 21 below).

Attachment II, provided by Ms. Liza Lowery, Executive Director of DTIS, explains DTIS's negotiating strategy. Ms. Lowery states that DTIS chose its approach because (a) Pacific Bell is the only company which can currently meet the City's telecommunications needs, (b) DTIS currently does not have all the information it requires about the City's telecommunications needs, and (c) DTIS is exploring the future option of providing some of its own telecommunications services.

Amendments No. 2 and 3

10. Amendment No. 2 to the Master Agreement would update the standard terms and conditions to meet current City contracting requirements and policies with regard to warranty and liability, insurance, default and remedies, termination, use of documentation, and compliance with laws.

11. Amendment No. 3 to Exhibit C of the Master Agreement would ensure that Pacific Bell complies with standard City contract terms related, for example, to termination in the event of non-appropriation, guaranteed maximum costs, qualified personnel, audit, MBE/WBE utilization, non-discrimination, and compliance with the Minimum Compensation Ordinance.

Four ATOs (CalNet Contract)

12. For traditional voice services (business access line, local call, local toll call, and Centrex services), DTIS recommends use of the existing CalNet Contract between the State of California, Pacific Bell, and MCI/Worldcom. DTIS recommends that the City use the CalNet Contract for five years, rather than replicating the three-year terms proposed under Addenda No. 12, 13, and 14 for newer telecom services, because:

- Flexibility is less important because the services provided under the CalNet Contract (for example, outdated services such as Centrex services) might be replaced by alternative services.
- Future competitive opportunities are more unlikely as these markets have attracted fewer competitors.
- The very expensive infrastructure required for these services is already in place.
- CalNet Contract prices are annually audited by independent communications analysts, such as the Gartner Group, and then negotiated between Pacific Bell and the State of California Department of General Services, to ensure that its customers are being offered the best possible prices relative to competitive offerings. The CalNet Contract has a "most favored nations" clause which ensures that Pacific Bell offers

its CalNet Contract customers rates which are at least as low as the rates it offers any other organization with equal or lower volume of business for comparable services. According to Mr. Roberts, the "most favored nation" provision is retroactive to the time that a new, lower price was offered to another customer. Under this system, a CalNet customer receives a credit for the period between the time when Pacific Bell offers the other customer the new price and the time that the CalNet Contract rates are reduced.

Local agencies can sign on to the CalNet Contract without any minimum commitment for revenue or quantity of services in order to benefit from the lower prices associated with that contract. Therefore the CalNet Contract would allow the City to reduce the volume of service purchased under that contract without penalty, so long as the City retains use of at least one service in each of the four CalNet Contract ATOs.

13. Under the proposed amendments to the Pacific Bell contract, there would be four five-year ATOs covering the following CalNet Contract services:

- Business access lines.
- Local calls and local toll calls.
- Frame relay services.
- Centrex services.

In line with the State of California's standard contract language, each of these five-year ATOs is subject to two, one-year extensions which will each occur automatically unless the City provides Pacific Bell with 30 days notice prior to the scheduled expiration date of the initial five-year term and the first one-year extension. If the City terminates an ATO prior to its expiration date, the City shall pay a termination charge based on 65 percent of the City's highest bill for the disconnected service multiplied by the number of months remaining in the ATO's term. This termination charge would not apply if the City terminated a service on the basis of non-appropriation of the necessary funds.

14. Under the subject contract amendments, a majority of the City's telecommunications services, in terms of cost, would be purchased through the CalNet Contract. As shown in Attachment I, based on the current volume and mix of services, the City would save $740,564 per year, or approximately 23.3 percent, by purchasing these services through the CalNet Contract. (This figure excludes those telecommunications services purchased under Addenda No. 12, 13, and 14, as discussed below.)

Addenda No. 12, 13, and 14

15. These three addenda cover PBX trunk, advanced digital network, high capacity super trunk, primary rate integrated, voice mail, call management, and internet access services, plus those frame relay services which hare not offered through the CalNet Contract. According to Mr. Roberts, DTIS recommends using the three-year contracts contained in the proposed addenda, because:

- Flexibility is important in order to take advantage of opportunities to reduce cost and improve service by utilizing the City's telecommunications infrastructure[7] and increasing the City's use of competing telecommunications companies in the future.
- In the future, competing telecommunications companies are likely to increase their geographic coverage and service scope within San Francisco.

Mr. Roberts states that these contracts have not been competitively bid because competitive vendors currently do not cover a sufficient geographic area to provide comprehensive services to all City departments.

16. Mr. Roberts states that the total estimated expenditure on these addenda over three years, based on current service volumes, is $6,143,000. However,

[7] According to Mr. Roberts, the City has access to a variety of telecommunications assets through its agreements with franchise holders AT&T, PG & E, and RCN. These assets include conduits owned by each of the three companies through which the City can install its own fiber-optic cable facilities. Through its franchise agreement with RCN, the City can also connect its fiber optic cables to individual City buildings. According to Mr. Roberts, this makes it a very real possibility for the City to provide some part of its own telecommunications services in the future. DTIS staff are currently working on developing this option further.

contractually, the minimum revenue commitment for that period is a smaller amount of $5,040,465[8].

17. The City's minimum annual revenue commitment under Addendum 12 is $1,548,755 based on service prices contained in Addendum 12. According to Mr. Roberts, any future alteration to the minimum annual revenue commitment would have to be through mutual agreement between the City and Pacific Bell. There is no provision for automatic increases. The charge for early termination of Addendum 12 services would be 65 percent of the City's monthly-equivalent revenue commitment multiplied by the number of months remaining in the term of Addendum 12, plus any annual revenue commitment shortfall up to and including the termination date.

18. Based on the minimum service quantity to be purchased by the City under Addendum 13, the City's minimum annual revenue commitment under Addendum 13 is estimated to be $131,400 based on service rates and charges contained in that addendum. According to Mr. Roberts, any future alteration to the minimum annual revenue commitment would have to be through mutual agreement between the City and Pacific Bell. There is no provision for automatic increases. The charge for early termination of Addendum 13 services would be 75 percent of the City's minimum monthly recurring charge multiplied by the number of remaining months in the term of Addendum 13.

As shown in Attachment I, there will be an increase in the per unit cost associated with Addendum 13 voice mail services. According to DTIS staff, Pacific Bell has increased the rate because (a) the current rate is much lower than the CalNet Contract rate, and (b) the City projects flat usage of voice mail services in the immediate future, with reduced usage in the longer term, due to the City's self-provision of voice mail services. According to Mr. Roberts, the proposed rate is still lower than the CalNet Contract rate because the City obtains a different mix of voice mail features than the State.

---

[8] The three-year minimum revenue commitment of $5,040,465 comprises:

- $4,646,265 for three years of Addendum 12 services ($1,548,755 x 3 years).
- $394,200 for three years of Addendum 13 services ($131,400 x 3 years).

19. There is no minimum revenue commitment under Addendum 14. However, once the City orders a service under this Addendum, the City would be required to retain that service for the life of the Addendum unless it was prepared to pay the penalty charge for early termination. This charge would be 65 percent of the monthly recurring charge for Addendum 14 services multiplied by the number of months remaining in the term of Addendum 14, plus installation charges waived, if any.

As indicated in Attachment I, there is pending action to lower the CalNet Contract internet access rate. According to DTIS staff, Pacific Bell has initiated the process to lower the rate.

20. According to Mr. Allison, the City has an average of seven to 11 percent growth rate each year in its voice and data transmission services. Therefore, it could split off services provided by Pacific Bell under the three Addenda and have them provided by competitors, while still maintaining the minimum annual revenue commitments required by Addenda 12 and 13.

21. As shown in Attachment I, if the volume and mix of services provided under each of the three Addenda remained the same, the prices proposed by the amended contract would reduce the annualized cost for those telecommunications services by $110,972, or approximately 5.1 percent. Based on Attachment I's annualized costs for the current volume and mix of services, the City would save $124,292 per year, or approximately 6.6 percent, in aggregate by purchasing telecommunications services under Addenda No. 12 and 14. However, under Addendum 13 the City would pay an additional $13,320 per year, or approximately 4.9 percent, for its voice mail services.

Service Level Commitments and Procedures Manual

22. The proposed contract amendments also incorporate by reference a Service Level Commitments and

Procedures Manual (the Manual), dated July 27, 2000, which DTIS believes addresses City departments' concerns about Pacific Bell service levels. These issues are the subject of a settlement agreement which is also being considered by the Finance and Labor Committee's December 20, 2000 meeting (Item 2, File 00-2112). Under the proposed settlement agreement, Pacific Bell will settle City claims concerning alleged billing errors or overcharges by paying $825,000.

23. To prevent reoccurrence of billing and service problems, the Manual provides for:

- A single point of contact.
- Access to Pacific Bell's highest quality service center, the Major Accounts Center, which handles the top 100 Pacific Bell accounts in the Bay Area.
- A process for escalating problems which are not expeditiously resolved by the Major Accounts Center.
- A Protocol for Engagement for the placement, processing, confirmation, tracking, and billing of orders.
- A monthly inventory check through linked City and Pacific Bell software.

Summary:

The proposed ordinance would amend the City's existing contract with Pacific Bell for a variety of telecommunications services. Based on the current volume and mix of telecommunications services purchased by the City from Pacific Bell, the amended contract would decrease the City's aggregate costs by 16 percent, or $851,536 annually. However, because the percentage change in cost for each service is not uniform, but varies from service to service, the actual overall percentage reduction would depend on the mix of services actually purchased by the City. Furthermore, the total volume of services is constantly growing, so the reduced per unit rates might not result in reduced spending for telecommunications services overall. However, if the City's volume and mix of telecommunications services did not change, the proposed contract amendments would result in savings of approximately $851,536 per year, from an estimated $5,332,013 to an estimated $4,480,477 per year. Even if no lump sum saving results from the

proposed contract amendments due to service volume and mix changes, whatever the City purchases under the amended contract would cost less per unit than it would have cost if it had been purchased under the existing contract (with the exception of voice mail services, as explained in Comment No. 18).

If the proposed ordinance is approved, the City's ongoing contractual relationship with Pacific Bell would reflect the facts that (a) Pacific Bell is the only company which can currently meet the City's telecommunications needs, (b) DTIS currently does not have all the information it requires about the City's telecommunications needs, and (c) DTIS is exploring the future option of the City providing some of its own telecommunications services.

While DTIS originally pursued two-year contract extensions for all telecommunications services, Pacific Bell's pricing for that timeframe was too expensive. Pacific Bell's offer to provide all services through the less expensive five-year CalNet Contract did not meet DTIS's desire for shorter-term contract extensions. Therefore, DTIS negotiated a compromise position whereby it contracts for more traditional services under the five-year CalNet Contract, and for new technologies under City-specific, three-year contract extensions (Addenda 12, 13, and 14).

Based on (a) the fact that the proposed amended contract for telecommunications services reduces the unit costs for services the City currently receives by 16 percent, and (b) the DTIS explanation that alternative services are not likely to be competitive in the near-term, the Budget Analyst recommends approval of the proposed ordinance.

Recommendation: Approve the proposed ordinance.

Attachment I

City and County of San Francisco

Contract Revenue Profile & Savings
Mixed Proposal: CCSF - 3 Year Term with
CALNET Usage/Business Lines/Frame Relay - 5 Year Term

Product	Year Commitment	Annualized Spending Current	Annualized Spending Calnet	Annualized Spending Proposed	# of units eligible for contract	Comparison with Current Dollars	Comparison with Current Percent	Comparison with Calnet Dollars	Comparison with Calnet Percent
CALNET Services									
Local Usage	5	$1,447,721	$1,015,971	$1,015,971	97,398,468	($431,750)	-29.8%	$0	0.0%
Local Toll Usage	5	$441,744	$232,497	$232,497	7,749,888	($209,247)	-47.4%	$0	0.0%
Business Lines*	5	$296,822	$265,020	$265,020	2,524	($31,802)	-10.7%	$0	0.0%
Frame Relay Service (56 Kbps & 1.54 Mbps Speeds)**	5	$266,796	$253,548	$253,548	13	($13,248)	-5.0%	$0	0.0%
Centrex lines & features	5	$720,087	$665,571	$665,571	3,420	($54,516)	-7.6%	$0	0.0%
Sub Total CalNet Services:		$3,173,170	$2,432,606	$2,432,606		($740,564)	-23.3%		
City Specific Contract (Addendum No.)									
Private Switch Trunks (PBX & SuperTrunk)* (12)	3	$778,686	$698,868	$688,535	82	($90,150)	-11.6%	($10,333)	-1.5%
Data Lines (DS0 & DS1) (12)	3	$811,746	$717,216	$791,100	204	($20,646)	-2.5%	$73,884	10.3%
Primary Rate Integrated Services Digital Network* (12)	3	$74,515	$65,280	$69,120	32	($5,395)	-7.2%	$3,840	5.9%
Frame Relay Service (128 & 384 Kbps Speeds)** (12)	3	$59,400	$59,400	$51,300	9	($8,100)	-13.6%	($8,100)	-13.6%
Voice Mail*** (13)	3	$271,620	$307,609	$284,940	4,327	$13,320	4.9%	($22,669)	-7.4%
Dedicated Internet Access**** (14)	3	$162,876	$184,440	$162,876	7	$0	0.0%	($21,564)	-11.7%
Sub Total City Specific Contract:		$2,158,843	$2,032,813	$2,047,871		($110,972)	-5.1%	$15,058	0.7%
Total:		$5,332,013	$4,465,419	$4,480,477		($851,535)	-16.0%	$15,058	0.3%

* – The per-unit price for these services does not include the Federal End User Common Line Charge (EUCL), which is $4.63.
**– Some speeds of Frame Relay Service are purchased through the CalNet contract, others through the City specific contract because they are not available through CalNet.
***– Provided by Pacific Bell Information Services (PBIS).
****–Provided by Pacific Bell Internet (PBI).The CalNet PBI Internet Access comparison is based on current rates, there is a pending action to lower the CalNet rates.

17

CITY AND COUNTY OF SAN FRANCISCO

Liza M. Lowery
Executive Director
Telephone: (415) 554-0801

DEPARTMENT OF TELECOMMUNICATIONS AND INFORMATION SERVICES

Denise M. Brady
Policy, Planning and Compliance Deputy Director
Telephone: (415) 554-4443 Fax: (415) 554-7011

Brian Roberts
Telephone: (415) 554-0861 Fax: (415) 554-0854

December 14, 2000

Harvey Rose, Budget Analyst
1390 Market St., Room 1025
San Francisco, CA 94102

Re: File #00-2066 - Pacific Bell Telecommunications Services Contract
Calendar for December 20, 2000 Finance and Labor Committee Meeting

Dear Mr. Rose:

In response to your inquiry, following is information regarding the negotiation strategy and approach taken by DTIS.

In late 1999, the Department of Telecommunications and Information Services ("DTIS") of the City and County of San Francisco ("City") began negotiations for interim telecommunications contract extensions with Pacific Bell. These interim contracts were pursued to allow the City sufficient time to conduct a thorough analysis and develop a long-term strategy for the most efficient and effective way to acquire telecommunications services. DTIS chose the interim contract approach because (1) Pacific Bell is the only facilities-based carrier that can meet the City's telecommunications needs; (2) DTIS does not have sufficient information about the City's needs; and (3) DTIS is exploring the possibility of increasing efficiency by integrating self-provision of services into the overall telecommunications network strategy.

DTIS pursued interim contracts with Pacific Bell because no competitive facilities-based carrier covered a sufficient area where the City requires telecommunications services. (A facilities based carrier is a carrier that uses its own facilities to provide service. By contrast, a non-facilities based carrier relies on facilities leased from the incumbent carrier, Pacific Bell. Many competitive carriers ("competitors") use a combination of their own facilities and leased facilities to provide services.) A report commissioned by DTIS, titled "A Survey of Telecommunications Carriers Doing Business in San Francisco," concluded that facilities-based competitors were confined to an area covering the financial district, South of Market, and North of Market Street to Kearny Street. Consequently the competitors' facilities do not reach a vast majority of the City's premises that lie to the west of this area.

Competitive carriers in San Francisco generally deploy high capacity fiber-optic network facilities that are the most efficient means for providing high capacity data connections and connections between multi-line buildings. These competitors do **not** plan to replicate the copper wire facilities that Pacific Bell has distributed throughout the City. Instead, competitors may lease lines from Pacific Bell to reach certain locations. Based on these findings, DTIS believes that competition will not result in finding a facilities-based carrier that can meet the City's telecommunications needs.

Even in areas where the City's needs match the competitor's offerings, the competitor would have to construct, install and test links between City premises and the competitor's networks. Additionally, it is not practical to carve out specific locations for competitive service provision in the areas served by competitors. Creating a City network from multiple pieces provided by a variety of competitors is costly and complex. For example, the City owns 70 private switches that each serve up to 600 individual lines. (A switch is device that routes calls to different locations.) These switches are located in various City premises and integrated into a single network by Pacific Bell. Even though some of these switches are physically located in areas served by competitors, integrating the switches into a single network using multiple competitors would be far more complex and most likely result in higher costs. DTIS does **not** believe that procuring the City's wireline network telecommunications services from multiple vendors is in the best interest of the City.

DTIS also pursued interim contract extensions because sufficient information about the City's long term telecommunications needs was not available. In late 1999, DTIS was in the process of conducting a Request for Proposal for consulting services to conduct a thorough assessment of the City's current and future telecommunications needs, identify approaches for meeting these needs, and recommend an efficient and reliable internal telecommunications strategy. DTIS' consultant for this project is now in the final stages of completing the Internal Needs Assessment. This assessment, once incorporated into the City's Telecommunications Plan, sets the strategic direction by which DTIS can develop detailed telecommunications requirements. Therefore, DTIS strongly believes that the City should not enter into any long-term telecommunications contracts in the absence of this information.

Finally, DTIS pursued interim contracts with Pacific Bell to allow an opportunity for the City to explore options for replacing telecommunications services from an outside provider with self-provision of these same services. Under this arrangement, the City can use existing resources and/or acquire its own telecommunications infrastructure to provide part of the services currently provided by Pacific Bell. Many government entities and businesses find this approach to be a more efficient way to meet their telecommunications needs. Additionally, City's inventory of telecommunications assets has recently increased due to compensation received, or committed to the City, from franchise negotiations. The City has also increased its use of its own network infrastructure such as private switches. DTIS strongly believes that the City should not ignore benefits derived from the ability to self-provision telecommunications services by entering into long-term telecommunications contracts.

The interim, or short-term, nature of these contract extensions supports development of a long-term telecommunications strategy and allows the City to position itself to take advantage of the emerging competitive marketplace. At the same time, DTIS sought reasonable costs in the interim period and service measures to address past service and billing issues.

Originally, DTIS pursued two-year interim contract extensions for all telecommunications services. Pacific Bell's pricing for a two-year contract was not significantly less than current pricing, approximately 5 percent less overall for the services they were willing to provide under a two-year contract, which were not all the services needed by the City. These price reductions were concentrated in traditional voice services with pricing for data and other services actually increasing in some cases, and yet other services not being covered at all. As an alternative, Pacific Bell suggested DTIS procure all telecommunications services through the State's, 5-year exclusive CalNet contract. Neither option met the City's requirements for an interim solution with reasonable pricing.

To address these requirements, DTIS next sought to separate telecommunications services into two categories, traditional voice services and data services. The longer term, more exclusive CalNet contract is better suited for traditional voice services. DTIS believes that these voice services, which rely on copper wire facilities, are less likely to be delivered via fiber optic facilities installed by the City or provided by a competitor in the next five years. The CalNet contract does not have a minimum revenue requirement, so the City can gradually reduce volumes and replace these services with alternative services.

By contrast, high-speed data services and connections between multi-user facilities are more likely to be replaced by fiber optic infrastructure installed by the City or provided by a competitor. These high-speed services are included in the City specific, short-term contract extensions. DTIS seeks to use three year contract extensions for data services because we believe that these services are more likely to be efficiently provided over City infrastructure or subject to competition in the next few years. Additionally, Pacific Bell's pricing for three-year contract extensions is generally better than current pricing. For the services that DTIS has chosen for a three-year contract, the prices are on aggregate 5% lower than current prices.

Sincerely,

Liza Lowery, Executive Director

cc: Alan Gibson

Item 3 - File 00-1944

Note: This item was continued by the Finance and Labor Committee at its meeting of December 6, 2000.

Department: Department of the Environment

Item: Ordinance appropriating \$89,000 from the General Fund Reserve for the Department of the Environment to fund a Community Window to disseminate information on the cleanup of the Hunters Point Naval Shipyard, designed to serve as the central location for the community on information, cleanup, and emergency alerts, for Fiscal Year 2000-01. This report is based on the Substitute Ordinance introduced on November 28, 2000.

Amount: \$89,000

Source of Funds: General Fund Reserve (See Comment No. 4)

Description: The proposed ordinance would appropriate \$89,000 to the Department of the Environment to fund a Community Window on the Hunters Point Naval Shipyard Cleanup ('Community Window") in the Bayview Hunters Point neighborhood to serve as a central location for posting and disseminating information to the public related to environmental cleanup efforts at the Hunters Point Naval Shipyard. The Community Window would be located in the six foot by six foot storefront of the Community First Coalition/Bayview Hunters Point Community Advocates Office, located at 5021 3rd Street, between Palou and Quesada Avenues. The Community Window would be open to the public Monday through Firday, 9 a.m. to 5 p.m. and would be updated regularly and staffed by the Bayview Hunters Point Community Advocates, one of the three community-based organizations to develop and operate the Community Window (discussed below).

According to Ms. Francesca Vietor, Director of the Department of the Environment, the Community Window will contain four main components:

(1) A storefront window display visible to the street, to be updated weekly with information related to the

Bayview Hunters Point Naval Shipyard cleanup.

(2) A Cleanup Information Center immediately behind the display window, containing copies of relevant documents, updated schedules of meetings, hearings and other events related to the shipyard cleanup, cleanup job referral information, and a television to view a library of video tapes on toxic waste cleanup related to the shipyard. The Cleanup Information Center would also include a toll-free public information telephone line with a pre-recorded, regularly updated message with cleanup news and a computer terminal for searching cleanup records and Federal Environmental Protection Agency (EPA) databases.

(3) A Community Emergency Alert Center using the display window and the telephone Information Hotline discussed above to provide up-to-date information in the case of an emergency.

(4) A website called "Window on the Web" would provide internet access to updates, schedules and documents provided at the Community Window.

According to Ms. Vietor, $85,000 of the proposed $89,000 supplemental appropriation would be allotted to three community-based non-profit organizations to develop and operate the Community Window, with the Department of the Environment administering the funds and providing information and resources on the clean-up via its EcoCenter. Through its EcoCenter, the Department of the Environment provides public education and outreach on local environmental issues. Ms. Vietor advises that the remaining $4,000 of the proposed $89,000 supplemental appropriation would fund administrative costs incurred by the Department of the Environment in administering the contract for the proposed Community Window.

The Bayview Hunters Point Community Advocates, a local non-profit organization, would oversee the display window, the Cleanup Information Center, the public information telephone line, and provide an existing full-time employee to staff the Cleanup Information Center.

Ms. Vietor advises that under a subcontract with the Bayview Hunters Point Community Advocates, Arc Ecology would also provide a full-time equivalent existing employee to serve as the Cleanup Information Coordinator, assigned to collecting and analyzing technical papers and information on cleanup efforts to be posted in the Information Center and on the website. In addition, the Bayview Hunters Point Community Advocates would provide a subcontract to an organization called the Hunters Point Shipyard Trust for the Arts to design displays in the storefront window, in the Information Center and on the website. (See Comment No. 2 below).

Budget: Attachment I to this report, provided by the Department of the Environment, contains budget details for the proposed $89,000 supplemental appropriation for the one-year period from January 1, 2001 through December 31, 2001.

Comments:

1. According to Ms. Vietor, the first year of the proposed Community Window will serve as a pilot program, with future funding subject to appropriation by the Board of Supervisors, based upon demonstrated success and need. Ms. Vietor advises that the Department of the Environment will evaluate the success of the pilot program based on the level of community participation in the shipyard clean-up efforts. Some of the performance measures would include the number of website hits, level of traffic by the Community Window and the Cleanup Information Center, number of calls to the Center, number of community members involved in the clean-up process, and Hunters Point residents' level of satisfaction with the information being provided about the overall clean-up plan. The Budget Analyst notes that the subject $89,000 supplemental appropriation includes one-time costs of $16,500 as shown in budget contained in Attachment I, including the $6,500 for the window display and approximately $10,000 for a new computer, related software and supplies, and website development.

2. Ms. Vietor advises that the community-based non-profit organizations that would staff and operate the Community Window (the Bayview Hunters Point

Community Advocates, Arc Ecology, and the Hunters Point Shipyard Artists) were selected on a sole source basis, according to Ms. Vietor, because these three organizations worked together to design the proposed Community Window program and have extensive experience with the Hunters Point community and the technical issues involved in the clean-up efforts. According to Ms. Vietor, a contract in the amount of $85,000 to operate the Community Window will be between the Department of the Environment and the Bayview Hunters Point Community Advocates for one year, beginning January 1, 2001 and ending December 31, 2001. As shown in Attachment I, Ms. Vietor advises that the Bayview Hunters Point Community Advocates in turn will allocate $34,250 in funds to Arc Ecology to fund the Cleanup Information Coordinator and related administrative expenses, and $6,500 to the Hunters Point Shipyard Trust for the Arts for the design and construct displays.

3. Attachment II, provided by the Department of the Environment, contains a one-year work plan and time line for creating the proposed Community Window.

4. The proposed $89,000 supplemental appropriation was continued by the Finance and Labor Committee meeting of December 6, 2000 to provide time for the Department of the Environment to pursue funding sources other than the General Fund Reserve. As of the writing of this report, the Department of the Environment was still considering alternative funding sources and could not provide the Budget Analyst with further information in response to the Finance and Labor Committee's direction.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment I

MEMORANDUM

TO: Marina Kipnis, Executive Asst., Dept. of Environment
FROM: Alex Lantsberg, Project & Development Coordinator, Arc Ecology
RE: Cost Breakdown for *Window* Proposal (1/1/2001 – 12/31/2001)

Per our conversation, the following is a more detailed breakdown of the budget figures for the *Community Window on the Shipyard Cleanup* proposal. Per my conversation with the Advocates' Executive Director, an existing staff person will assume responsibilities for item 1. Please contact me with any questions at 415/495-1786.

1. **Facility, Display, & Web Management and Referral Services** (*based at BVHP Advocates*)

$27,500.00	1 FTE Staff Person (annual)
$4,125.00	taxes & benefits (15%)
$2,625.00	administrative expenses, rent, and overhead
$34,250.00	

2. **Cleanup Information Coordinator** (*based at Arc Ecology*)

$27,500.00	1 FTE Staff person (annual)
$4,125.00	taxes & benefits (15%)
$2,625.00	administrative expenses and overhead
$34,250.00	

3. **Display Design**

4,000.00	Window display supplies & materials
2,500.00	Display design, development, and set-up (subcontract with HPS Artists)
$6,500.00	

4. **Web Development, Computer, Presentation Materials, and Supplies**

$2,000.00	Web Design and management
$1,750.00	DSL subscription
$1,750.00	Presentation supplies
$1,250.00	Computer for Kiosk
$1,250.00	toll free hotline number
$1,000.00	Presentation equipment
$500.00	Software
$500.00	misc. supplies
$10,000.00	

5. **Administration** (*provided by the Department of Environment*)

$4,000.00	Administrative oversight and reporting
$89,000.00	PROGRAM TOTAL

Source: Department of Environment

BUDGET

Facility, Display, & Web Management and Referral Services	$34,250
Cleanup Information Coordinator	34,250
Display Design	6,500
Computer and AV	10,000
TOTAL	*85,000*

WORK PLAN

MONTHS	ACTIVITIES
1	▪ Begin posting notices in window, ▪ Begin window, interior display, & web design ▪ Acquire Furniture & Equipment for Clearinghouse area ▪ Send requests to Navy, EPA, DTSC, SFDPH for Display and educational materials contributions
2	▪ Install toll free hot line number ▪ Set up computer & video education area ▪ Finalize design details for displays & web ▪ Test web site, computer & video education area ▪ Organize facility dedication – community reception o Organize speakers o Mail invitations for facility dedication o Outreach to Bayview residents and schools regarding the opening of the facility
3	▪ Install window art work/display materials ▪ Install interior displays ▪ Facility dedication – community reception o Mail press releases o Morning press conference w/ speakers & demonstration of resources o Community event w/ speakers & demonstration of resources
4	**Carry Out Ongoing Program** • Community Updates on Parcel E Fire • Community Notification of Cleanup Comment Periods • Community Technical Updates on Pertinent Cleanup Documents • Visiting Class Education Program • Host Meetings of Local Emergency Planning Committee
5	
6	
7	
8	
9	
10	
11	
12	

Deliverables (Year 1)

- Window Display & Updates (Month 3 and ongoing)
- Interactive Web Site (Month 3 and ongoing maintenance)
- Video & Computer Education Areas (Month 3)
- The Toll Free Information & Emergency Hotline Number (Month 3)
- Visiting Class Education Program (Month 4)

Source: Department of the En

Item 4 - File 00-1798

Department: Department of Parking and Traffic (DPT)

Item: Ordinance amending Section 17.11(a) of the San Francisco Administrative code to extend the authorization of the Parking Authority to utilize a Bid/Request for Proposal (RFP) process for the awarding of all leases and management agreements for the use or operation of parking facilities by 18 months from December 1, 2000 to June 1, 2002.

Description: On April 26, 1999, the Board of Supervisors approved an ordinance that enabled DPT to issue Bid/RFPs in lieu of the formal competitive bidding process currently described in Section 17.11 of the Administrative Code for awarding leases and management agreements for parking facility operations (see File No 98-1935). Specifically, the current ordinance enables DPT to issue Bid/RFP's when the Parking and Traffic Commission determines that such a process is in the best interest of the public.

The current ordinance also states that "the authority given to the Parking Authority to use a Bid/RFP Process shall sunset on December 1, 2000, unless the Board of Supervisors, by ordinance, continues this authorization." Additionally, the current ordinance states that "the Bid/RFP Process shall be reviewed by the Parking Authority to determine if the utilization of the Bid/RFP Process has been in the best interest of the public, and a report shall be submitted to the Board of Supervisors."

The proposed ordinance would amend Section 17.11(a) of the Administrative Code to extend the current sunset date by 18 months, changing it from December 1, 2000 to June 1, 2002.

Comments: 1. According to Mr. Ronald Szeto of DPT, the Department has not submitted a report to the Board of Supervisors regarding the current ordinance and whether or not it is in the best interest of the public. The submission of such a report is required under Section 17.11(a) of the Administrative Code. Mr. Szeto states that, during the approximately 18 months since the current ordinance

became effective, DPT has not issued a single contract, and therefore has no experience upon which to base a report (see Comment No. 2). Mr. Szeto further states that the Department is requesting an 18 month extension of the sunset date to June 1, 2002 because this would allow DPT the same period of time the Board of Supervisors originally allowed for evaluation of the Bid/RFP Process at DPT, with regard to leases and management agreements for use or operation of parking facilities.

2. Mr. Szeto states that DPT initiated RFP Processes for management of the Golden Gateway Garage and the Performing Arts Garage on July 10, 1999, shortly after the Board of Supervisors authorized this process. However, both processes were significantly delayed because DPT sought to implement a new requirement that new parking garage contract managers retain at least 75 percent of the existing garage employees under the previous contractor, according to Mr. Szeto. Mr. Szeto states that, following the resolution of this retention issue, DPT reinitiated RFP processes, and received 14 bids for the Golden Gateway Garage and the Performing Arts Garage. However, only one of the qualified bids was ultimately determined to have met all of the Human Rights Commission's subcontracting requirements. Consequently, on November 21, 2000, all bids were rejected, according to Mr. Szeto.

According to Mr. Szeto, the single, lawfully responsive bid was rejected because it could not be compared with any other lawful bids, and was thus, not competitive.

3. According to Mr. Szeto, the original competitive bidding process prescribed in Section 17.11 prior to its amendment in April of 1999 required approval of two types of legislation by the Board of Supervisors. First, the Board of Supervisors was required, by ordinance, to approve bid documents related to the award of such contracts as well as authorize the Director of Property to issue an Invitation for Bid. Second, the Board of Supervisors was required, by resolution, to approve the contract awarded to the highest bidder in the case of a lease or the lowest bidder in the case of a management agreement. According to Mr. Szeto, this two-part process

for obtaining approval of an award by the Board of Supervisors generally took six months. According to Mr. Szeto, the amended ordinance allowed DPT to utilize an RFP process, which is expected to expedite the contracting process by two months.

4. According to Ms. Lori Giorgi of the City Attorney's Office, if the Board of Supervisors were to disapprove the proposed ordinance, DPT would only be authorized to issue contracts through competitive processes, such as was previously described in Section 17.11. Ms. Giorgi notes that, while the Section 17.11 no longer address such a formal process, other requirements that apply generally to other City contracts would dictate a process for DPT very similar to what was previously described in Section 17.11 (see Comment No. 3).

5. The Attachment, provided by DPT, describes each of the specific criteria, in addition to monetary considerations, that the DPT would use to evaluate potential operators if the DPT were able to continue to issue Bid/RFPs, in lieu of using formal competitive bidding procedures to award leases and management agreements to operate the parking facilities. Under the proposed Bid/RFP evaluation process, DPT would weight the cost of the parking operator's bid at 150 points or 60 percent of the 250 total points being considered.

6. According to Mr. Szeto, the formal bidding process previously identified in Section 17.11 required that awards be made solely based on the amount of the bids presented by operators, after specific qualifications established by the DPT were met. However, Mr. Szeto states that through the use of a Bid/RFP process, the DPT would receive additional information from potential operators as to the quality of service and the management proposed to be provided. The Budget Analyst, in our previous report on this item, noted that nothing precluded the DPT from obtaining such additional information under the previously required formal competitive bidding procedures, which, required the award of such contracts to "responsive and responsible" bidders.

7. The Budget Analyst continues to believe that the DPT has not been presented compelling evidence to show that it would be financially beneficial for the City to permit DPT to waive the formal competitive bidding process previously described in Section 17.11 of the Administrative Code. The Budget Analyst notes that any additional information which the DPT states it would obtain using a Bid/RFP process could, in fact, also be obtained under a formal competitive bidding process.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

EVALUATION and SELECTION CRITERIA

The submittals will be evaluated by a selection committee, including but not limited to individuals with expertise in parking management contracts. The City intends to evaluate the submittals generally in accordance with the criteria itemized below. The City may inspect a parking facility operated by the proposer as part of the evaluation process on an unannounced basis.

1. **Management Approach** **(40 Points)**

   Submit a narrative description of the services and activities that your firm proposes to provide to the City, including an implementation plan for said services and activities, to optimize the overall garage performance and servicc.

2. **Assigned Management Staff** **(40 Points Total)**

   a. Submit qualifications and experience of on-site manger and supervisors and availability of extra staff for additional services on an "as needed" basis. Provide written assurance that such key personnel will not be transferred in or out of the Garage without the prior approval of the Parking Authority Staff.
   (20 points)

   b. Describe accomplishments of the on-site manager which contributed to the success of previously managed parking facilities.
   (15 points)

   c. Describe staff reorganization necessary to optimize the overall garage performance and service.
   (5 points)

3. **Experience of Firm and Sub-Contractors** **(20 Points Total)**

   a. Describe the experience of the Proposer's firm and sub-contractors in the fields necessary to complete required tasks such as parking management, maintenance/repair, janitorial services, security services and shuttle services.
   (10 points)

   b. Provide examples of Proposer's experience in utilizing sub-contractors to perform services and/or complete improvement projects at previously managed parking facilities. In addition, state any benefits derived from such services and/or capital projects on the overall parking facility performance and service.
   (10 points)

4. **Management Fee Bid** **(150 Points Total)**

a. Management Fee.
(150 points)

The City intends to award this contract to the firm that it considers will provide the best overall management services, at a reasonable cost, for operation of the Garage. The City reserves the right to accept other than the lowest priced proposal and to reject any and all submittals that are not responsive to this request.

Please provide a fee proposal that includes the following:

a. Total Management Fee as defined in the Management Agreement;
b. Recent experience of staff assigned to the project and a description of the tasks to be performed by each staff person;
c. Qualifications and education; and
d. Workload, staff availability and accessibility.

The amount of the management fee contained in the submittal is part of the selection criteria. Management fee bids (the "Bid") will be evaluated under the following formula for a total of 150 points assigned to the Bid. For example, the firm that provides a Bid of $10,000 receives all 150 points. The next lowest Bid of $12,000 receives a score of 125 points ($10,000 divided by $12,000, multiplied by 150 points).

Item 5 - File 00-2148

Department: Department of Public Health (DPH)

Item: Ordinance amending Part II, Chapter V, of the San Francisco Municipal Code (Health Code) by amending Section 128 thereof, to fix patient rates for services furnished by the Department of Public Health, effective January 1, 2001.

Description: The San Francisco Municipal Code requires the City to approve an ordinance each year fixing patient rates for medical and related services provided by the Department of Public Health (DPH). DPH reviews annually its charges for services and makes adjustments, when appropriate, to provide for a recovery of new costs that DPH expects to incur in the following year[1]. In August of 2000, the Board of Supervisors approved DPH's last annual request to increase patient rates for services provided (see File No. 00-1337), which took effect on July 1, 2000. DPH is now requesting a mid-year adjustment that would alter rates, effective January 1, 2001.

According to Ms. Monique Zmuda of DPH, the Department has determined that, due to the potential availability of additional funding from MediCal funding sources, it would be in the best interest of the City to seek increased reimbursement rates from MediCal's disproportionate share program, and/or increased per diem rates. However, the Department is currently ineligible to apply for such increased reimbursements from MediCal because MediCal requires funding recipients to maintain a certain differential between gross charges to patients, and MediCal reimbursements[2]. According to Ms. Zmuda, this differential is currently approximately $4 million, which is not large enough to meet MediCal's minimum requirements for eligibility. An increase in the rates at which patients are charged for services would increase this differential, and thus make DPH eligible to apply for up to $1.5 million in increased reimbursements from MediCal. Ms. Zmuda notes that costs have not

[1] By recovering cost increases, DPH ensures that the ongoing General Fund subsidy for San Francisco General Hospital is held to the minimum amount necessary.

[2] According to Ms. Zmuda, the State does not specify what margin is required at any given time, but rather indicates to jurisdictions that are potential applicants for increased funding whether or not they are eligible. Ms. Zmuda states that the State maintains this policy in order to ensure that no jurisdiction receives reimbursements that exceed their costs.

increased since July 1, 2000, but rather that DPH is seeking the proposed rate increases because additional funding may be available from MediCal that would increase MediCal reimbursements to DPH. This, in turn, could potentially reduce the City's General Fund subsidy of San Francisco General Hospital by as much as $1.5 million in FY 2000-2001, according to Ms. Zmuda. Ms. Zmuda notes that all proposed rates are comparable to the rates charged by other Bay Area health care institutions.

The proposed ordinance would make a mid-year adjustment to set the DPH rates at which patients are charged for San Francisco General Hospital. The proposed rates would be effective January 1, 2001.

Comments:

1. The Attachment, provided by the DPH, compares the FY 2000-2001 patient rates approved by the Board of Supervisors in August of 2000 with the proposed mid-year adjustment patient rates, which would become effective on January 1, 2001. As shown in the Attachment to this report, the proposed rate changes, as recommended by DPH, range from no increase to an increase of 33 percent. On average, all proposed increases would average 12 percent, according to Ms. Zmuda.

2. According to Ms. Zmuda, the Department's FY 2000-01 budget includes $28,981,588 in total patient revenues, which are from private insurance, co-payment insurance, and payments by individuals, based on the FY 2000-2001 patient rates approved by the Board of Supervisors in August of 2000. According to Ms. Zmuda, patient revenues are only a small portion of the reimbursements realized by DPH, with the majority coming from MediCal sources. Ms. Zmuda further states that San Francisco General Hospital serves significant numbers of indigent patients, and charges those patients on a sliding scale. According to Ms. Zmuda, indigent patients' co-payment requirements are already fixed based on those patients' income, and thus their co-payments would not be effected by the proposed mid-year increase in rates. Further, patients on General Assistance and many indigent patients do not pay for services at all. Thus, the proposed mid-year adjustment of rates is not expected to affect total patient revenues, according to Ms. Zmuda. Ms. Zmuda notes, however, that the proposed increases will allow DPH to apply

for increased reimbursements from Medical, which may result in up to $1.5 million in additional revenue from MediCal sources in FY 2000-2001. According to Ms. Zmuda, however, the likelihood of being awarded these increased reimbursement rates by Medical is unknown at this time.

3. Ms. Zmuda states that the proposed patient rates are comparable to the rates charged by other Bay Area health care institutions.

Recommendation: Approve the proposed ordinance.

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 00-01
EFFECTIVE JANUARY 2001

TYPE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JULY 1, 2000	RATE FY 00-01 EFFECTIVE JAN 1, 2001	PERCENT CHANGE
COMMUNITY HEALTH NETWORK				
San Francisco General Hospital				
Supplies & Drugs	Unit	Special Price List		
In-Patient Care				
Medical Surgical	Day	1,350	1,500	11%
Intensive Care	Day	2,950	3,300	12%
Intensive Care - Trauma	Day	3,300	3,300	0%
Coronary Care	Day	2,950	3,300	12%
Chest-Pulmonary	Day	2,600	2,950	13%
Stepdown Units	Day	2,000	2,200	10%
Pediatrics	Day	1,350	1,500	11%
Obstetrics	Day	1,350	1,500	11%
Nursery				
New Born	Day	850	950	12%
Observation/Well Baby	Day	1,350	1,500	11%
Semi-Intensive Care	Day	2,000	2,200	10%
Intensive Care	Day	2,950	3,300	12%
Labor/Delivery - 6G	Day	1,350	1,500	11%
Labor/Delivery Hours of Stay	Hour	70	80	14%
Psychiatric Inpatient	Day	1,350	1,500	11%
Psychiatric Forensic Inpatient - 7L	Day	1,350	1,500	11%
AIDS Unit - 5A	Day	1,350	1,500	11%
Security Unit - 7D	Day	1,350	1,500	11%
Skilled Nursing Facility	Day	500	560	12%
Mental Health Rehab. SNF	Day	500	560	12%
Surgical Services				
Minor Surgery Pre-Op Holding Room	Room	155	170	10%
Minor Surgery I (Come & Go)	1/4 Hour	220	250	14%
	1/2 Hour	440	490	11%
	3/4 Hour	660	740	12%
	Full 1 Hour	870	970	11%
	Ea. Add'l 1/4 Hr.	220	250	14%
Minor Surgery II	1st Hour	950	1,060	12%
	Ea. Add'l 1/2 Hr.	470	530	13%
Major Surgery Pre-Op Holding	Room	155	170	10%
Major Surgery I	1st Hour	1,400	1,600	14%
	Add'l 1/2 Hour	500	560	12%
Major Surgery II	1st Hour	1,600	1,800	13%
	Add'l 1/2 Hour	550	620	13%
Major Surgery III	1st Hour	1,800	2,000	11%
	Add'l 1/2 Hour	660	740	12%
Extraordinary Surgery	1st Hour	2,000	2,200	10%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 00-01
EFFECTIVE JANUARY 2001

E OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JULY 1, 2000	RATE FY 00-01 EFFECTIVE JAN 1, 2001	PERCENT CHANGE
	Add'l 1/2 Hour	725	810	12%
Surgery (2 Teams)	Procedure	2,800	3,100	11%
	Add'l 1/2 Hour	950	1,060	12%
Surgery (3 Teams)	Procedure	3,600	4,000	11%
	Add'l 1/2 Hour	1,200	1,300	8%
Major Trauma III	First Hour	3,154	3,154	0%
	Susequent Hours	1,166	1,166	0%
Major Trauma II	First Hour	2,478	2,478	0%
	Susequent Hours	791	791	0%
Major Trauma I	First Hour	1,881	1,881	0%
	Susequent Hours	657	657	0%
Recovery Room	1st Hour	550	620	13%
	2nd Add'l Hour	130	150	15%
	3rd Add'l Hour	80	90	13%
Anesthesia	First 1/2 Hour	440	490	11%
	Add'l Minute	15	20	33%
Laser Treatment	Procedure	1,450	1,600	10%
Therapeutic Abortion	Procedure	250	280	12%
rauma Care				
Admitted/Expired	Day	4,500	4,500	0%
Treated & Released	Day	2,800	2,800	0%
Consultation	Day	750	750	0%
Pediatric - Admitted/Expired	Day	4,500	4,500	0%
Pediatric - Treated & Released	Day	2,800	2,800	0%
Pediatric - Consultation	Day	750	750	0%
mergency Clinic				
Level I	Room	90	100	11%
Level II	Room	120	130	8%
Level III	Room	150	170	13%
Level IV	Room	280	310	11%
Level V	Room	630	710	13%
Level VI	Room	1,500	1,700	13%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 00-01
EFFECTIVE JANUARY 2001

TYPE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JULY 1, 2000	RATE FY 00-01 EFFECTIVE JAN 1, 2001	PERCENT CHANGE
Non-Critical Observation	0-2 Hours	90	100	11%
	2-4 Hours	250	280	12%
	4-6 Hours	430	480	12%
Critical Observation	0-2 Hours	250	280	12%
	2-4 Hours	500	560	12%
	4-6 Hours	750	840	12%
Resuscitation		1,500	1,700	13%
General Clinic				
Initial				
E/M Focused Exam	Visit	80	90	13%
E/M Expanded Exam	Visit	140	160	14%
E/M Detailed Exam	Visit	160	180	13%
E/M Comprehensive Exam	Visit	220	250	14%
E/M Complex Exam	Visit	280	310	11%
Targeted Case Management	Visit	220	250	14%
Established Patient				
E/M Brief Exam	Visit	50	60	20%
E/M Focused Exam	Visit	72	80	11%
E/M Expanded Exam	Visit	95	110	16%
E/M Detailed Exam	Visit	145	160	10%
E/M Comprehensive Exam	Visit	220	250	14%
Consultation				
E/M Focused Consult	Visit	75	80	7%
E/M Expanded Consult	Visit	115	130	13%
E/M Detailed Consult	Visit	115	130	13%
E/M Comprehensive Consult	Visit	155	170	10%
E/M Complex Consult	Visit	230	260	13%
Use of Exam Room	Room	40	45	13%
Primary Care				
Initial				
E/M Focused Exam	Visit	80	90	13%
E/M Expanded Exam	Visit	110	120	9%
E/M Detailed Exam	Visit	150	170	13%
E/M Comprehensive Exam	Visit	200	220	10%
E/M Complex Exam	Visit	300	340	13%
Targeted Case Management	Visit	160	180	13%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 00-01
EFFECTIVE JANUARY 2001

E OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JULY 1, 2000	RATE FY 00-01 EFFECTIVE JAN 1, 2001	PERCENT CHANGE
Established Patient				
E/M Brief Exam	Visit	40	45	13%
E/M Focused Exam	Visit	60	70	17%
E/M Expanded Exam	Visit	95	110	16%
E/M Detailed Exam	Visit	150	170	13%
E/M Comprehensive Exam	Visit	180	200	11%
ental Services				
Initial Complete Exam	Visit	37	40	8%
Periodic Exam	Visit	37	40	8%
Prophylaxis - Adult	Visit	52	55	6%
Prophylaxis - Child	Visit	47	50	6%
Extract Single Tooth	Visit	74	80	8%
One Surface, Permanent Tooth	Visit	68	70	3%
lome Health Services				
Skilled Nursing	Visit	153	153	0%
Home Health Aide Services	Visit	79	79	0%
Medical Social Services	Visit	213	213	0%
Physical Therapy	Visit	175	175	0%
Occupational Therapy	Visit	175	175	0%
Speech Therapy	Visit	177	177	0%
ına Honda Hospital				
Regular Hospital Rates				
Acute	Day	1,050	1,050	0%
Rehabilitation	Day	1,050	1,050	0%
Skilled Nursing Facility	Day	360	360	0%
All Inclusive Rates				
Acute	Per Diem	1,320	1,320	0%
Rehabilitation	Per Diem	1,320	1,320	0%
Skilled Nursing Facility	Day	420	420	0%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 00-01
EFFECTIVE JANUARY 2001

TYPE OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JULY 1, 2000	RATE FY 00-01 EFFECTIVE JAN 1, 2001	PERCENT CHANGE
POPULATION HEALTH & PREVENTION				
Community Mental Health Services				
24-Hour Service				
Inpatient	24 Hours	1,350	1,350	0%
Skilled Nursing	24 Hours	415	415	0%
Crisis Residential	24 Hours	250	250	0%
Residential	24 Hours	125	125	0%
Day Services				
Rehabilitation	Full Day	110	110	0%
Intensive	Full Day	190	190	0%
Intensive (children)	Half Day	200	200	0%
Crisis Socialization	Hour	75	75	0%
Crisis Stabilization	Hour	80	80	0%
Socialization	Hour	30	30	0%
Outpatient Services				
Case Management Brokerage	Hour	96	96	0%
Mental Health Services	Hour	150	150	0%
Medication Support	Half Hour	120	120	0%
Crisis Intervention	Hour	375	375	0%
Community Substance Abuse				
Residential - Detoxification	24 Hours	87	87	0%
Residential - Basic	24 Hours	84	84	0%
Residential - Family	24 Hours	140	140	0%
Residential - Medical Support	24 Hours	207	207	0%
Recovery Home	24 Hours	70	70	0%
Therapeutic Community	24 Hours	80	80	0%
Outpatient (include Detox)	Per Contract	108	108	0%
Methadone Treatment	Hour	26	26	0%
Naltrexone Treatment	Per Contract	45	45	0%
Prevention/Intervention	Hour	52	52	0%
Day Care - Habilitative	Per Contract	112	112	0%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 00-01
EFFECTIVE JANUARY 2001

T?E OF SERVICE	UNITS OF SERVICE	RATE FY 00-01 EFFECTIVE JULY 1, 2000	RATE FY 00-01 EFFECTIVE JAN 1, 2001	PERCENT CHANGE
R:ords and Statistics				
3irth Record			Rates Per State of California	
)eath Record			Rates Per State of California	
?ermit - Disposition of Human Remains			Rates Per State of California	
?assport Application	Per Application	15	15	0%
?assport Photo	Per 2 Photos	10	10	0%
)ut-of-County Certificate	Per Certificate	Market Rate + $10	Market Rate + $10	0%
:ertificate Embossing	Per Embossing	5	5	0%
)eath Certificate FAX Filing Fee - Mortuary (Under Contract)				
Per Reviewed Submission	Per Submission	3	3	0%
Per Accepted Certificate	Per Certificate	7	7	0%
Contract Change Order	Per Change Order	95	95	0%
ational Adoption Resources Booklet	Per Booklet	2	2	0%
ɜtter of Non-Contagious Disease	Per Letter	7	7	0%
ocument / Certificate Will-Call	Per Document	5	5	0%
)EPARTMENT OF PUBLIC HEALTH				
ectronic / Internet Transaction Fee	Per Transaction	5	5	0%
ɜlephone / FAX Transaction Fee	Per Transaction	5	5	0%
ːpedited Delivery of Documents				
Regular Delivery - U.S. & International	Per Delivery	Market Rate + $5	Market Rate + $5	0%
Same Day - Greater Bay Area	Per Delivery	Market Rate + $5	Market Rate + $5	0%
Same Day - Other California	Per Delivery	Market Rate + $10	Market Rate + $10	0%
D .T IMMUNIZATION CLINIC				
' ccines				
Hepatitis A	Per Injection	42	42	0%
Hepatitis B	Per Injection	50	50	0%

Item 6 - File 00-2068

Department: Department of Public Health (DPH)

Item: Ordinance appropriating $1,532,400 from the General Fund Reserve designated for one-time expenditures to fund the cost of medical and laboratory equipment for the San Francisco General Hospital for Fiscal Year 2000-01.

Amount: $1,532,400

Source of Funds: General Fund - Reserve for One-Time City Expenditures.

In FY 1995-96, the Controller recommended, and the Mayor and the Board of Supervisors concurred, that $16,800,000 in one-time revenue received from a change in the method of accounting for Sales Tax and Motor Vehicle in Lieu Tax revenue be placed on reserve and used only for capital or other projects which need one-time infusions of funds. Since that time, specific project appropriations have been made from this reserve, and the present reserve balance is $2,912,000. If the proposed supplemental appropriation of $1,532,400 is approved, the balance of this reserve would be $1,379,600.

Description: Under the subject ordinance, the proposed supplemental appropriation in the amount of $1,532,400 would fund the purchase of medical and laboratory equipment for the neurosurgical specialty service and intensive care unit components of San Francisco General Hospital (SFGH).

Budget: Attachment I, provided by DPH, contains the proposed capital equipment budget in the amount of $1,532,400.

Comments: 1. Ms. Monique Zmuda of DPH states that DPH's FY 2000-01 equipment budget of $3,663,944 for SFGH, as approved by the Board of Supervisors, is insufficient to meet the equipment needs of SFGH's neurosurgical specialty service and intensive care unit components. Of the FY 2000-01 equipment budget of $3,663,944:

- $994,775, or approximately 27.1 percent, is being used to pay the full FY 2000-01 cost of ongoing SFGH equipment which is being lease-purchased. As of

November 30, 2000 (approximately 41.7 percent of the fiscal year), $428,566 or approximately 43.1 percent of this budget has been spent, based on the schedule of monthly lease payments required.

- $2,669,169, or approximately 72.9 percent, is being used to purchase equipment which is required for SFGH to meet accreditation standards and to replace obsolete or broken equipment. As of November 30, 2000 (approximately 41.7 percent of the fiscal year), 100 percent of this budget has been encumbered as requisitions have been issued for all of the equipment items to be purchased.

Attachment II, provided by DPH, summarizes the FY 2000-01 equipment budget in the amount of $3,663,944.

2. Ms. Zmuda states that DPH estimates that the total cost of replacing critical equipment and purchasing the new technology now available for acute care treatment at SFGH is approximately $6,000,000 in FY 2000-01. According to Ms. Zmuda, the equipment considered for purchase under this proposed supplemental appropriation has been selected by the Associate Administrator, Facilities Management, in conjunction with SFGH's clinical chiefs. The criteria used to select the recommended equipment purchases include the remaining useful lifespan of equipment due to be replaced and clinical specialties' requirements for new technology. All the requests which meet these criteria are prioritized by the Associate Administrator, Facilities Management, and the Executive Administrator of SFGH. Ms. Zmuda advises that the hospital's neurosurgical specialty service has experienced significant breakdown of its existing equipment and has had difficulty in recruiting neurosurgeons due, in part, to its lack of new technology.

3. According to Ms. Zmuda, the equipment purchases being funded by the $2,669,169 portion of the existing capital equipment budget (to purchase equipment required to meet accreditation standards and to replace obsolete or broken equipment) were assessed by DPH as having a higher priority than the medical and laboratory equipment which would be purchased under the subject supplemental appropriation.

4. The following table, based on information provided by Ms. Zmuda, contains a five-year history of SFGH equipment purchase and lease purchase expenditures.

	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00	Average
New equipment lease purchase	$3,431,913	$294,988	$641,770	$0	$0	$873,734
Ongoing equipment lease purchase	0	3,627,070	2,500,222	1,782,872	1,140,909	1,810,215
Equipment purchase	1,047,298	627,395	863,122	2,224,759	275,190	1,007,553
TOTAL	$4,479,211	$4,549,453	$4,005,114	$4,007,631	$1,416,099	$3,691,502

5. Proposed FY 2000-01 SFGH equipment expenditures totaling $5,196,344 (the FY 2000-01 SFGH equipment budget of $3,663,944 plus the subject supplemental appropriation of $1,532,400) represent a $1,532,400, or approximately 41.5 percent, increase compared to the average SFGH equipment purchase and lease purchase expenditure of $3,691,502 for the five years between FY 1995-96 and FY 1999-2000.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment I

San Francisco General Hospital
Capital Equipment Request
November 16, 2000

Item No.	Dept.	Equipment	Cost per unit	Number Requested	Subtotal Cost	
1	Neurosurgery	Frameless Navigation System	$ 280,000	1	$280,000	NEW
2	Neuroradiology	Portable Digital Angiographic Unit	$ 150,000	1	$150,000	NEW
3	ICU	Neurophysiologic monitoring columns (including installation costs)	$ 118,400	6	$710,400	NEW
4	ICU	Co-oximeter for jugular bulb sample analysis	$ 20,000	1	$20,000	NEW
5	ICU	Microdialysis fluid analyzer (one core unit)	$ 30,000	1	$30,000	NEW
6	ICU	Microdialysis pump (2 per room)	$ 2,000	12	$24,000	NEW
7	ICU	End tidal CO2 monitoring	$ 6,000	6	$36,000	NEW
8	Neurosurgery	Greenberg Retractor System	$ 17,000	1	$17,000	Replacement
9	Neurosurgery	Intraoperative Electrophysiologic Monitoring System	$ 70,000	1	$70,000	NEW
10	Neurosurgery	Ultrasonic Aspirator	$ 67,000	1	$67,000	NEW
11	Neurosurgery	Xenon CT Scan.	$ 100,000	1	$100,000	NEW
	ICU	Continuous Venovenous Hemofiltration Unit	$ 28,000	1	$28,000	Replacement
		Total Requested			*$1,532,400*	

:bud/supp/equip11/16/2000

REPORT:BPR-O-EQP
OATE :07/24/00

CITY ANO COUNTY OF SAN FRANCISCO
PHASE D EQUIPMENT OETAIL TURNAROUNO REPORT
BUDGET YEAR 2000-01

TIME: 23:54
PAGE: 120
OEPT: HCN

OEPARTMENT	:HCN	COMMUNITY HEALTH NETWORK
DIVISION	:HG	SAN FRANCISCO GENERAL HOSPITAL
PROGRAM	:D1H	SFGH - ACUTE CARE - HOSPITAL
FUND_TYPE	:5H	GENERAL HOSPITAL MEOICAL CENTER FUNOS
FUND	:AAA	SFGH-OPERATING FUNO
SUBFUNO	:AAA	SFGH-OPERATING-NON-PROJ-CONTROLLEO FO
INOEX_CODE	:HGH1HUN40061	5792 ACUTE CARE ROLLUP
PROJECT	:**********	
GRANT	:**********	
OBJECT	:060	EQUIPMENT PURCHASE

EQUIPMENT	DESCRIPTION	1999-00 REVISED BUOGET	UNIT COST	2000-01 C TOTAL COUNT	2000-01 PH C TOTAL AMOUNT	2000-01 D TOTAL COUNT	2000-01 PH D CHANGE AMOUNT	2000-01 D TOTAL COUNT	2000-01 PH O TOTAL AMOUNT
HG014N	A LA CARTE MEAL SYSTEM		759,500	1	759,500			1	759,500
HG025R	OICTATION SYSTEM		354,700	1	354,700			1	354,700
HG026N	JHS PROLIANT 8000 550		53,585	1	53,585			1	53,585
HG027N	3M MULTIMEOIA PROJECTO		7,503	1	7,503			1	7,503
HG028R	CALL LIGHT SYSTEM		37,500	2	75,000			2	75,000
HG029R	TRANSPORT VENTILATORS		15,581	4	62,322			4	62,322
HG030N	RIOEABLE SCRUBBER		11,935	1	11,935			1	11,935
HG031R	CO2 LASER		55,993	1	55,993			1	55,993
HG032R	COPATH PLUS		167,090	1	167,090			1	167,090
HG033R	POWER EXAMINATION TABL		16,547	2	33,093			2	33,093
HG034R	ULTRASOUNO UNIT - SEQU		166,222	2	332,444			2	332,444
HG035N	CARD EMBOSSER		10,447	1	10,447			1	10,447
HG036N	CODE MASTER 100 PORTER		7,513	2	15,026			2	15,026
HG060N	CISCO SYSTEM ROUTERS &		175,000	2	350,000			2	350,000
HG061N	OR SCHEDULING SYSTEM		262,635	1	262,635			1	262,635
06000	EQUIPMENT PURCHASE-BUD	186,510							
06061	DATA PROCESSING EQUIPM	88,680							
OBJECT 060 SUBTOTAL		275,190		23	2,551,273			23	2,551,273

Attachment II
Page 1 of 3

DEPARTMENT:HCN COMMUNITY HEALTH NETWORK
DIVISION :HG SAN FRANCISCO GENERAL HOSPITAL
PROGRAM :D1H SFGH - ACUTE CARE - HOSPITAL
FUND_TYPE :5H GENERAL HOSPITAL MEDICAL CENTER FUNDS
FUND :AAA SFGH-OPERATING FUND
SUBFUND :AAA SFGH-OPERATING-NON-PROJ-CONTROLLED FD
INDEX_CODE:HGH1HUN40061 5792 ACUTE CARE ROLLUP
PROJECT :**********
GRANT :**********
OBJECT :062 EQUIPMENT LEASE/PURCHASE-OPTION RENEWAL

EQUIPMENT DESCRIPTION	1999-00 REVISED BUDGET	UNIT COST	2000-01 C TOTAL COUNT	2000-01 PH C TOTAL AMOUNT	2000-01 D TOTAL COUNT	2000-01 PH D CHANGE AMOUNT	2000-01 D TOTAL COUNT	2000-01 PH D TOTAL AMOUNT
06200 EQUIP LEASE/PURCHASE O	541,531			415,795				415,795
OBJECT 062 SUBTOTAL	541,531			415,795				415,795
OBJECT :064 EQPT LEASE/PURCH-CITY FIN AGCY-OPT RENEW								
06400 EQ LEASE/PURCH-FIN AGE	599,378			578,980				578,980
OBJECT 064 SUBTOTAL	599,378			578,980				578,980
GRANT ********** SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048
PROJECT ********** SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048
INDEX_CODE HGH1HUN40061 SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048
SUBFUND AAA SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048
FUND AAA SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048
FUND_TYPE 5H SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048
PROGRAM D1H SUBTOTAL	1,416,099		23	3,546,048			23	3,546,048

Attachment II
Page 2 of 3

OEPARTMENT:HCN COMMUNITY HEALTH NETWORK
DIVISION :HG SAN FRANCISCO GENERAL HOSPITAL
PROGRAM :D3W SFGH - AMBU CARE - WOMEN'S HEALTH CENTER
FUNO_TYPE :5H GENERAL HOSPITAL MEOICAL CENTER FUNOS
FUNO :AAA SFGH-OPERATING FUNO
SUBFUNO :AAA SFGH-OPERATING-NON-PROJ-CONTROLLED FD
INOEX_COOE:HGH3WOG40001 7073 WOMEN'S HEALTH CENTER
PROJECT :**********
GRANT :**********
OBJECT :060 EQUIPMENT PURCHASE

EQUIPMENT OESCRIPTION		1999-00 REVISEO BUOGET	UNIT COST	2000-01 C TOTAL COUNT	2000-01 PH C TOTAL AMOUNT	2000-01 O TOTAL COUNT	2000-01 PH D CHANGE AMOUNT	2000-01 D TOTAL COUNT	2000-01 PH D TOTAL AMOUNT
HG062N	STATIONARY ULTRASOUNO		42,332	1	42,332			1	42,332
HG063N	MOBILE ULTRASOUNO & PR		42,332	1	42,332			1	42,332
HG064R	LEISEGANG COLPOSCOPE W		7,122	2	14,244			2	14,244
HG065N	PELVIC FLOOR THERAPY S		18,988	1	18,988			1	18,988
OBJECT 060 SUBTOTAL				5	117,896			5	117,896
GRANT ********** SUBTOTAL				5	117,896			5	117,896
PROJECT ********** SUBTOTAL				5	117,896			5	117,896
INOEX_COOE HGH3WOG40001 SUBTOTAL				5	117,896			5	117,896
SUBFUNO AAA SUBTOTAL				5	117,896			5	117,896
FUNO AAA SUBTOTAL				5	117,896			5	117,896
FUNO_TYPE 5H SUBTOTAL				5	117,896			5	117,896
PROGRAM O3W SUBTOTAL				5	117,896			5	117,896
OIVISION HG SUBTOTAL		1,416,099		28	3,663,944			28	3,663,944

Attachment II
Page 3 of 3

Item 7 – File 00-2133

Department: Department of Public Health (DPH)

Item: Resolution authorizing the Department of Public Health, Community Mental Health Services, to accept retroactively and expend Substance Abuse Mental Health Services Administration (SAMHSA) Block Grant funds of $2,110,871 from the State Department of Mental Health to improve the system of care for seriously emotionally disturbed children and severely mentally ill adults; providing for ratification of action previously taken.

Grant Amount: $2,110,871 ($1,267,104 approved, $843,767 not approved)

Grant Period: December 1, 2000 through June 30, 2001 (7 months)

Source of Funds: Substance Abuse Mental Health Services Administration (SAMHSA) Block Grant distributed by the State Department of Mental Health

Required Match: None

Indirect Costs: Indirect costs are not allowed by the granting agency.

Description: SAMHSA Block Grant funds in the amount of $2,110,871 have been allocated to the City to improve the coordination of the system of care for chronically mentally ill adults and seriously emotionally disturbed children in the City. Grant funded activities would include the following: (1) expansion of physician time to respond more quickly to psychiatric patients leaving San Francisco General Hospital and other community hospitals, (2) increase linkages between skilled nursing facilities, case managers and patients needing long term care, (3) increase mental health education services, (4) provide additional services for children and families such as targeted services to sexually abused children and to Filipino families, and (5) provide transportation and computers necessary for the system to operate effectively. Services will primarily target the 2,164 adults who are admitted to the acute psychiatry inpatient units at San Francisco General Hospital and other community hospitals.

Budget: A summary budget, provided by DPH, is as follows:

Personnel Services (18.9 FTE positions)[1]	$943,251
Premium Pay	30,000
Mandatory Fringe Benefits (@ 25 percent)	255,939
Contract and Operating Expenses[2]	881,681
TOTAL	$2,110,871

A detailed budget for the subject program, provided by DPH, is shown in Attachment I.

Comments: 1. The SAMHSA Block Grant has been awarded to DPH through the State Department of Mental Health each year for more than ten years. The amount of FY 2000-2001 funding, $2,110,871, will allow the program to expand for the current fiscal year due to an additional $171,477 in one-time funding and an increase in the amount of $672,290 in on-going funding. The additional funding, totaling an increase of $843,767, is in addition to the $1,267,104 in SAMHSA Block Grant funds for which expenditures have been approved in the original FY 2000-2001 DPH budget as approved by the Board of Supervisors. The proposed resolution would authorize the DPH to accept and expend the full amount of $2,110,871 including the $1,267,104 budgeted for FY 2000-2001 and an additional $843,767 in SAMHSA Block Grant funds.

According to Ms. Nancy Presson of the DPH, the Department expects $1,939,394 in SAMHSA Block Grant funds to become part of the annual allocation provided by the State Department of Mental Health to the City. If this amount becomes the on-going allocation to DPH, it will represent an

[1] Includes the following: (1) 11.9 FTE positions already approved in the original FY 2000-2001 DPH budget as approved by the Board of Supervisors, (2) creates 7.0 FTE positions and reflects more actual payment of project staff based on actual payroll which has increased costs from the original budget.

[2] Includes the following: (1) $400,000 for expenditures that the Board of Supervisors would approve under the proposed resolution, including $120,000 in funding for medical services contracts, $180,000 for 7 new cars, $100,000 for new computers and software, and (2) $481,681 for the Family Mosaic Project, a case management program for seriously emotionally disturbed children, which has already been approved in the original FY 2000-2001 DPH budget as approved by the Board of Supervisors.

increase of $672,290 over the $1,267,104 amount originally budgeted for SAMHSA funds in FY 2000-2001.

2. The subject grant would fund the following existing 11.9 FTE positions, shown in Attachment I, as approved in the original FY 2000-2001 DPH budget as approved by the Board of Supervisors:

DPH Personnel	Class	Number of Positions	Budgeted Salary
Clerk Typist	1424	1.0	$ 34,151
Senior Clerk Typist	1426	1.0	43,212
Administrative Analyst	1822	1.0	52,871
Mental Health Educator	2823	0.6	33,695
Social Worker	2910	3.0	138,372
Psychological Social Worker	2930	1.0	59,163
Marriage, Child & Family Counselor	2931	3.0	183,391
Senior Psychological Social Worker	2932	1.3	88,607
Subtotal Existing Positions		11.9	$ 633,462

The subject grant would fund the following new 7.0 FTE positions at DPH, as shown in Attachment I:

DPH Personnel	Class	Number of Positions	Budgeted Salary
Clerk Typist	1424	1.5	$ 25,892
Administrative Analyst	1822	2.0	46,099
Senior Physician Specialist	2232	1.0	51,419
Registered Nurse	2320	2.1	70,490
Mental Health Educator	2823	0.4	22,463
Subtotal New Positions		7.0	$216,363
Temporary Staff			$ 93,426
TOTAL COST OF SALARIES			$943,251

The new 7.0 FTE positions would increase data entry capability to improve client care and billing, improve long term care linkages and services for clients needing locked nursing home care, increase mental health prevention activities, increase services for children who have been sexually abused, improve the contract payment system to assure accountability, and increase psychiatrist time to improve linkages between the hospital and community mental health services. As stated in the proposed resolution, the 18.9 FTE positions would be designated "G", or grant-funded. The 18.9 FTE positions would terminate when the grant expires if the DPH is unable to secure additional grant funds. According to Ms. Presson, the new 0.4 FTE Mental Health Educator position was filled on December 1, 2001 by existing Department personnel. Ms. Presson reports the Department is in the process of hiring staff for the other 6.6 FTE positions, and expects the hiring process to be completed by February 1, 2001.

The subject grant would also fund 4.7 FTE equivalent positions already existing at the Bayview Hunters Point Foundation, a nonprofit agency, to work on the Family Mosaic Project, as shown in Attachment II. Expenditures for these 4.7 FTE equivalent positions were approved in the original FY 2000-2001 DPH budget as approved by the Board of Supervisors. The Bayview Hunters Point Foundation would be responsible for determining whether these positions would expire if the DPH is unable to secure additional grant funds.

3. As shown in Attachment III, the subject grant would fund the purchase of approximately 7 vehicles at a total cost of $180,000 to replace vehicles at clinic sites that have high repair costs and are 8 to 15 years old. These 7 vehicles would help to assure transportation for clients and case managers to get to critical clinic, benefits and housing appointments. The new cars would reduce costs to the City to repair the older cars that have repair costs of up to $7,000 per car per year. Additionally, as shown in Attachment IV, the subject grant would purchase the following computer equipment and software, at a total cost of $100,000: (1) ten new computers which would enhance the information systems network and allows the DPH to share data systems and e-mail to enable

better patient care coordination, (2) 11 licenses for the software product used to authorize mental health services at four clinic sites, and (3) installation of mental health services network connections at four mental health clinic sites, which would improve data entry, eligibility and coordination of care throughout the mental health system.

According to Ms. Presson, future maintenance and operating costs for these 7 cars and computers will be covered by on-going SAMHSA Block Grants. Ms. Presson states that if the Department is unable to secure additional grant funds, then future maintenance and operating costs for these computers and cars will be covered by DPH's annual Operating Budget.

4. As shown in Attachment I, the subject grant would provide $120,000 in funds for medical services contract expenses. Of these medical services contract costs, $90,000 would be used to expand DPH's current contract with Westside Community Mental Health, a nonprofit agency that provides services to clients with substance abuse and mental health issues. The remaining $30,000 in medical services contract expenses would be used to expand DPH's current contract with West Bay Filipino Services, a nonprofit agency that provides mental health services to Filipino families.

5. Ms. Presson advises that the subject grant has been accepted by DPH, and therefore the proposed resolution provides for retroactive acceptance of these grant funds. However, to date, none of the $843,767 in additional funds beyond the previously appropriated grant amount of $1,267,104 have been expended by the DPH. According to Ms. Presson, the SAMHSA grant expansion activities will start December 26, 2000, and continue indefinitely as long as the subject SAMHSA Block Grant is in place.

6. Ms. Monique Zmuda of the DPH states that the State Department of Mental Health, the granting agency, allows the subject one-time grant funds of $171,477 to carry-over to the Fiscal Year 2001-2002 if the subject grant funds are not expended by June 30, 2001, the end of the grant period.

7. As already approved in DPH's FY 2000-2001 budget, the subject grant continues to fund $102,611 in rent at 1309C Evans for the office space for the Family Mosaic Project. In

December of 1999, the Board of Supervisors approved the lease at 1309C Evans Avenue, which expires on June 30, 2003.

8. Attachment V is a Grant Application Information Form, as prepared by DPH, which includes a Disability Access Checklist.

Recommendation: Approve the proposed resolution.

Attachment I

SAMHSA SYSTEM OF CARE BUDGET										
FY2000-2001										
Grant Period : July 1, 2000 to June 30,2001										
							18.3pp	1		
							eff. 11/1/00			
			Approved Budget							
CS #	Position	Union	Employee	Step	FTE	Rate	Original	Revised		
Personal Services:										
1424	ClerkTypist	790	Pascua	2	1.00	1298/1329	33,748	34,151		
1424	Clerk Typist	790	New	2	1.50	1298/1329	36,254	25,892	13.0pp	1/5/01
1426	Sr. Clerk Typist	790	R. Pinegar	5	1.00	1642/1682	42,643	43,212		
1822	Administrative Analyst	790	Juarez	2	1.00	2009/2058	52,234	52,871		
1822	Administrative Analyst	790	New	2	2.00	2,058	74,829	46,099	11.2pp	2/1/01
2232	Sr. Physician Specialist	UAPD	GF	5	1.00	4,591	88,216	51,419	11.2pp	2/1/01
2320	Registered Nurse	790	New	5	0.10	2533/2584	4,717	3,357	13.0pp	1/5/01
2320	Registered Nurse	790	GF	5	2.00	2533/2584	94,346	67,133	13.0pp	1/5/01
2822	Mental Health Educator	L21	J. Kwong - + .40 fte	5	1.00	2442/2478	56,588	56,158		
2910	Social Worker	790	B. Amyes	4	1.00	1752/1796	45,552	46,124		
2910	Social Worker	790	JL Canaveral	4	1.00	1752/1796	45,552	46,124		
2910	Social Worker	790	P. Chan	4	1.00	1752/1797	45,552	46,124		
2930	Psych Social Worker	790	E. Seeley	3	1.00	2247/2303	58,422	59,163		
2931	Marriage,Child & Family Counselor	790	S. Henderson	3	1.00	2247/2304	58,422	59,163		
2931	Marriage,Child & Family Counselor	790	M. Mcdonough	4	1.00	2360/2418	61,360	62,114		
2931	Marriage,Child & Family Counselor	790	C. Wang	4	1.00	2360/2419	61,360	62,114		
2932	Sr. Psych Social Worker	790	L. Louie	5	0.50	2589/2654	33,657	34,080		
2932	Sr. Psych Social Worker	790	E. Balancio	5	0.80	2589/2654	53,852	54,527		
									-	
	Temporary Salaries(P103) /2232 Phy. Specialist			2 / 5	.90/1.0	2884 / 4591		93,426	13.0pp	
	Premium Pay(24 hrs. mobile crisis coverage)						30,000	30,000		
	Gross Salaries						977,304	973,251		
	Mandatory Fringes 26%						251,886	255,939		
	Total Salaries & Fringes						1,229,190	1,229,190		
Operating Expenses										
	Medical Services Contract	(6mos for contract 2930/ Westside contract/ consultant svcs.)					120,000	120,000		
	Equipment:									
	5 Cars						180,000	180,000		
	Computers & Software						100,000	100,000		
	Total Operating						400,000	400,000		
Family Mosaic Project							481,681	481,681		
Total Revised Budget							2,110,871	2,110,871		
	Grant Award						(2,110,871)	(2,110,871)		
							-	(0)		

Attachment II

SAMHSA BUDGET DETAIL
Family Mosaic Project
FY 00-01 (July 1, 2000-June 30, 2001)

DESCRIPTION				TOTAL
EQUIPMENT				
Copier				6,000
SUPPLIES				
Postage & supplies				6,500
TRAVEL				
Client transportation				41,296
OTHER EXPENSES				
Rent				102,611
Telephone				8,301
Duplication & Printing				500
Msc.				9,640
SUBCONTRACTS:				
Title	FTEs	Names	Subtotal	
Faster Care Planner	0.50	Nicole Wilford	25,752	
Operation Clerk	1.00	Yule Dorn	31,394	
Research Data Manager	0.50	Lucy Colvin	16,500	
Sr. Accountant	1.00	Connie Relojo	43,000	
Community Outreach Specialist	1.00	Jay Avila	36,792	
Community Outreach Specialist	0.50	Jenny Gong	17,510	
Administrative Aid	0.20	Fernandez	7,130	
sub-total:	4.70		178,078	
Total Salaries:			178,078	
Fringe Benefits	24%		42,739	
Sub-total:			220,817	
Consulting			37,764	
Data Entry			5,550	
Student/MD Stipends			15,000	
TOTAL DIRECT COSTS			279,131	
INDIRECT COSTS			27,703	
TOTAL SUBCONTRACTS:				306,833
TOTAL SAMHSA BUDGET DETAIL AT FMP				481,681

12/12/00

Community Mental Health Services
Proposed Vehicle Purchase

Trade-in

ID#	Year, Make, Model	License	Mileage	99-00 Oper Cost
567-321	91 Chevrolet Cavalier	E348842	256,334	5,914
567-322	91 Ford Crown Victoria	E399910	232,834	3,845
567-510	82 Chevrolet G30 Van	E478992	51,000	3,087
567-600	82 Dodge Ram Van	E781308	56,850	1,733
567Y316	86 Chevrolet Caprice Wgn	E482364	68,695	1,613
567Y511	86 Chevrolet G20 Van	E498701	28,490	2,652
				18,844

Purchase

For	Year, Make, Model	Type	Cost	EPA Grant	Fund Source	Reason
MOST	2000 Toyota Camry LE**	CNG	23,385	3,000	SAMHSA	New
PES	2001 Ford Crown Victoria*	Gas	20,751		SAMHSA	Replace
M ACT	2001 Honda Civic GX	CNG	20,483		SAMHSA	Replace
MFC	2001 Ford 12 pass van	CNG	23,475	4,500	SAMHSA	Replace
OMI	2000 Toyota Camry LE	CNG	23,135	3,000	SAMHSA	Replace
Geri	2001 Honda Civic GX	CNG	20,483	4,500	SAMHSA	New
M ISC	2001 Honda Civic GX	CNG	20,483	4,500	SAMHSA	Replace
SE Child	2001 Ford 12 pass van	CNG	23,475	4,500	SAMHSA	Replace
MOST	2000 Toyota Camry LE**	CNG	23,385	3,000	AB2034	New
SubTotal			199,055	27,000		
Sales Tax			16,920			
Total Cost			215,975			
Less grants			27,000			
Net Total Cost			188,975			

*Includes $1,000 for rear seat enclosure
**Includes vinyl seat covers for rear seats

Funds available:

SAMHSA	HMHMRCGRANTS HMSSOC 01	180,000
AB2034	HMHMRCGRANTS HMINSV 00	26,802
GF	HMHMCC730515 s/o 04951	9,173
	Total Available	215,975

Clinical/Older Adult Information Systems Project

Synopsis:
The Clinical/Older Adult Information Systems Project will allow four clinical programs to participate in a wide range of clinical and financial tools available on the City of San Francisco Intranet and the larger Internet. The project upgrades network infrastructure and adds personal computer hardware and software. Services provided will include email, file and print, secure backup, MS Office, Internet and, as needed, access to the following databases: Insyst, eCura, Meds, Behavioral Health Data Warehouse and SMS.

Clinics to benefit include:
Southeast-Mission Geriatric Services
Central City Senior's Unit
Mission Mental Health Team II
Center for Special Problems

QTY	Item	Cost	Extension
4	Network routers	$3,800.00	$15,200.00
4	Data line installs	$3,000.00	$12,000.00
4	Closet switches	$2,500.00	$10,000.00
10	HP computers with NT, Monitors, software	$3,150.00	$31,500.00
1	Hard Drive Ghost Building for above	$302.00	$302.00
11	eCura licenses	$2,818.00	$30,998.00
		TOTAL	$100,000.00

File Number:______________________
(provided by the Board of Supervisors

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

1. Grant Title: SAMHSA Mental Health Block Grant

2. Department: Department of Public Health, Population Health and Prevention, Community Mental Health Services.

3. Contact Person: Nancy Presson Telephone: 255-3632

4. Grant Approval Status (check one):

   [X] Approved by funding agency [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $2,110,871 for 2000/01; $1,939,394 for 2001/02

6a. Matching Funds Required: $0
 b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency: Federal Substance Abuse Mental Health Services Admin.
 b. Grant Pass-Through Agency (if applicable): State Department of Mental Health.

8. Proposed Grant Project Summary: This grant is used to improve the system to provide services to seriously emotionally disturbed children and severely mentally ill adults. It includes expansion of increased physician response to clients coming from the hospital, increased linkage to patients needing long term care, increased mental health education services, additional services for children and families, and consultation, flexible wrap-around dollars, transportation and computers necessary for the system to operate effectively.

9. Grant Project Schedule:

   Start-Date: 12/1/00 End-Date: 6/30/01 (It is expected that $1,939,394 in grant funds will become part of the ongoing State allocation to the Department in future funding years; $171,477 is specifically designated as one-time funds for 00/01.

10. Number of new positions created and funded: 7.0 FTE

11. If new positions are created, explain the disposition of employee(s) once the grant ends:_
    It is expected that these grant funds are going to become part of the ongoing annual allocation provided by the State Department of Mental Health, so end date of the grant should not create a funding problem.

12. a. Amount to be spent on contractual services: $120,000

b.) Will contractual services be put out to bid?. Expansion of current contracts
c.) If so, will contract services help to further the goals of the department's MBE/WBE requirements? : It is expected that it will be non-profit agencies that apply for these funds. If not, then the contract services are expected to further the department's MBE/WBE goals.

d) Is this likely to be one-time or ongoing request for contracting out? Ongoing

13a. Does this budget include indirect costs? No

b. If no, why are indirect costs not included? :
[x] Not allowed by granting agency [ ] To maximize use of grant funds on direct services
[ ] Other (please explain):

14. Any other significant grant requirements or comments:

Disability Access Checklist*

15. This Grant is intended for activities at (check all that apply):

[x] Existing Site(s)
[ ] Rehabilitated Site(s)
[ ] New Site(s)

[x] Existing Structure(s)
[ ] Rehabilitated Structure(s)
[ ] New Structure(s)

[x] Existing Program(s) or Service(s)
[ ] New Program(s) or Service(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer: Norman Nickens (Name) Deputy Director (Title)

Date Reviewed:______________ Norm Nickens (Signature)

Department Approval: Mitchell Katz, M.D. (Name) Director of Health (Title)

for (Signature)

Item 8 - File 00-1583

Department: Department of Public Health (DPH)

Item: Hearing to consider the release of $248,579 of funds held on reserve for the Department of Public Health for Phase III of the Tobacco Prevention Program.

Amount: $248,579

Source of Funds: $1,500,000 in proceeds from a Settlement and Consolidation Agreement with the R.J. Reynolds Tobacco Company regarding *Mangini v. R.J. Reynolds Tobacco Company, et .al.*

Description: In 1997 San Francisco, along with 13 other California cities and counties, reached a settlement agreement with R.J. Reynolds Tobacco Company in *Mangini v. R.J. Reynolds Tobacco Company, et .al.* Under the settlement agreement, San Francisco received $1,500,000 to finance education, enforcement, and advertising campaigns to discourage smoking by minors. In September of 1998 the Board of Supervisors appropriated $1,500,000 to fund media, health education, and enforcement programs and placed $553,405 on reserve (File 98-140). In December of 1998 the Finance and Labor Committee released $73,636 of the $553,405 to fund enforcement services provided by the Department of Agriculture, Weights, and Measures through a work order to DPH, and continued to reserve $479,769 (File 98-2003).

In August of 2000 the Board of Supervisors released an additional $211,190 to fund a media campaign designed to discourage minors from cigarette smoking. The Board of Supervisors continued to reserve the balance of $268,579 to be used for community-based intervention programs to discourage smoking, pending selection by DPH of contractors and submission of budget details (File 00-1305). If the Board of Supervisors approves the proposed release of $248,579 in reserved funds, there will be a remaining balance of $20,000 on reserve.

DPH is requesting that $248,579 in reserved funds be released to fund two contracts with community-based organizations. The first contract would be for $103,519 with Intersection for the Arts/Youth Speaks, a non-profit

organization selected through a Request for Proposals (RFP) process, which will use the currently popular youth art form of poetry competitions, or poetry slams, as a vehicle for working with youth on issues related to tobacco use. The second contract for $145,060 would be with the San Francisco Study Center, a non-profit organization selected through an RFP process to serve as a fiscal sponsor to two subcontracting organizations also selected by DPH through an RFP process: Infusion-One and the Booker T. Washington Community Services Center, as stated in Attachment I, provided by DPH (see Comment No. 4). The $145,060 contract with the San Francisco Study Center includes $50,000 for each of the two subcontracting organizations to serve as seed money for the organizations' community capacity building efforts, as described in Comment No. 3.

Budget: A summary budget for the $248,579 in reserved funds is as follows:

Item	Amount
Contract with Intersection for the Arts/ Youth Speaks (See Attachment II)	$103,519
Contract with San Francisco Study Center	
Seed Funding to Infusion-One (See Attachment II)	$50,000
Seed Funding to Booker T. Washington Community Service Center (See Attachment II)	50,000
Media Costs	
Advertisements in Movie Theaters	8,496
Advertisements on Television and Radio	14,004
Production of Press Kits	2,500
Subtotal Media	$25,000
Promotional Items and Training (See Comment No. 5).	5,060
Fiscal Sponsor Fee (See Comment No. 5).	15,000
Contract Subtotal	$145,060
Total	$248,579

Attachment II provides details to support the above budget.

Comments: 1. According to Ms. Monique Zmuda of DPH, Phase I of the Tobacco Prevention Program included research identifying the type of media messages that would be effective in discouraging youth from smoking, and the target group of youth, ages 14 to 17. During Phase I, the Tobacco Prevention

Program established an advisory committee, which developed criteria for reviewing tobacco prevention advertisements, reviewed and tested the effectiveness of existing advertisements, and selected four existing advertisements and recommended production of four new advertisements for the Tobacco Prevention Program. Phase I also included Police Department enforcement of the tobacco sales ban to minors and City Department of Consumer Assurance enforcement of the ban on outdoor advertising of tobacco products and self-service tobacco vending machines. According to Ms. Zmuda, Phase II of the Tobacco Prevention Program funded a major media campaign aimed at youth and an evaluation to assess the impact of the media campaign on youth behavior. Ms. Zmuda advises that this evaluation is still in progress and includes collecting baseline data on approximately 700 San Francisco youth regarding their beliefs, behaviors and then re-collecting data from this same cohort of youth to assess the impact of the media campaign.

2. As noted previously, DPH proposes to use the $248,579 in reserved funds to fund services provided by two community-based organizations and to provide seed funding to two additional community-based organizations. Ms. Zmuda advises that on August 21, 2000, DPH issued two RFPs. The first RFP sought a contractor to provide "tobacco control through the arts" projects that used art as a means of educating youth about tobacco use. In October of 2000, DPH selected Intersection for the Arts/Youth Speaks for the $103,579 contract based upon the organization's established programs using youth poetry competitions. The contract with Intersection for the Arts/Youth Speaks would last 18 months, beginning on January 1, 2001 and terminating on June 30, 2002.

3. For the second RFP, Ms. Zmuda advises that DPH sought to fund community capacity-building projects to change environmental factors promoting tobacco use, such as tobacco advertising and easy access to tobacco products by minors. Ms. Zmuda advises that in October of 2000, DPH selected two community-based organizations, Infusion-One and the Booker T. Washington Community Services Center, to receive $50,000 apiece as seed money for their community capacity building activities, explained in Attachment III, provided by DPH. Ms. Zmuda advises that these funds would

be channeled to the two community-based organizations through a fiscal sponsor, discussed below in Comment No. 4.

4. According to Ms. Zmuda, DPH had issued an additional RFP in November of 1998 to fund several community capacity building projects funded with various sources (not necessarily related to tobacco use), including the subject reserved funds. The San Francisco Study Center was selected and will serve as fiscal sponsor to two of the organizations receiving the subject reserved funds (Infusion-One and the Booker T. Washington Community Services Center). As stated in Attachment I, provided by DPH, the San Francisco Study Center will be responsible for authorizing payments, dispersing funds and providing on-going training, technical assistance, and support services to the community-based organizations. Funds will be dispersed based on monthly invoices submitted by community-based organizations to the San Francisco Study Center for reimbursement. Ms. Zmuda advises that DPH requires such a fiscal sponsor because the fiscal sponsor can provide needed accounting and organizational assistance to the community-based organizations, which DPH would be unable to provide itself. The contract with the San Francisco Study Center would last 18 months, beginning on January 1, 2001 and terminating on June 30, 2002.

5. According to Ms. Zmuda, the Fiscal Sponsor Fee of $15,000 included in the above budget for the contract with the San Francisco Study Group consists of $1,250 per month for administrative overhead, including accounting personnel, facilities maintenance, insurance, copy machine, office supplies. The $5,060 for Promotional Items and Training includes the purchase of T-shirts ($720), movie tickets ($300), rental of training space ($300), speaker honoraria ($260), registration for 12 youth participants to attend the Youth Tobacco Control Summit ($600), travel for 12 youths to the summit ($1,800), lodging at the summit for 12 youths ($1,080). Ms. Zmuda advises that the Youth Tobacco Control Summit will be sponsored by the California Youth Advocates Network and will take place in Santa Cruz, California in August of 2001.

Recommendations: Approve the proposed release of reserves.

San Francisco Study Center
Exhibit A-4
Mangini Funds

Services To Be Provided:

The fiscal sponsor for the Community Capacity Building Training and Development Center for the Tobacco Free Project will be the San Francisco Study Center. Tobacco Free Project will authorize all payment requests and act as coordinator and liaison with the community based organizations to collect and forward approved invoices with back-up documentation and progress reports to the Study Center in a timely manner. The Study Center will:

1. Disburse funds in the amount of $50,000 each to 2 community based organizations that were selected by the Tobacco Free Project through a competitive process. Selected CBO's will integrate a community capacity building process into their organization goal to address a tobacco control issue that impacts youth. Disbursement will be paid based on monthly invoices submitted by CBO's to the Tobacco Free Project Director for approval and subsequently submitted to the Study Center for payment. Invoices will be in accordance with approved budgets for each of the 2 CBO's and Youth Speaks including payment for training and travel expenses incurred to attend a tobacco control conference.

2. Disburse funds for payment of training costs associated with provision of training services to the Youth Speaks and Community Capacity Building Projects. Costs include rental of training space, training stipends, refreshments, and speaker honoraria.

3. Upon approval of Tobacco Free Project Director, provide payment for purchase and/or development of promotional items, educational, incentives, media related costs, and equipment costs.

4. Disburse funds for payment of costs associated with focus groups for testing of media message for counter advertising campaign.

Source: Department of Public Health

Intersection for the Arts/Youth Speaks

Page A

Check one: New X Modification____ Renewal _______

Contractor Name and Address:
Intersection for the Arts/Youth Speaks
2169 Folsom Street, Suite 100
San Francisco, CA 94110

Funding Source: Mangini
Contract Term: 1/1/01-6/30/02

EXPENDITURES			
	FY 00-01	FY 01-02	FY 00-02
Personnel Expenditure			
Total Salaries (See Page B)	$ 30,000	$ 32,000	$ 62,000
Fringe Benefits	$2,200.00	$2,420.00	$4,620.00
Total Personnel Expenses	$ 32,200	$ 34,420	$ 66,620
Operating Expenses:			
Publicity	$500.00	$1,000.00	$1,500.00
Design	$500.00	$516.67	$1,016.67
Outreach Materials	$500.00	$500.00	$1,000.00
Posters & T-Shirt Reproduction	$1,500.00	$1,550.00	$3,050.00
T-Shirt artwork &Design	$1,450.00	$0.00	$1,450.00
Administrative fees	$6,000.00	$8,916.00	$14,916.00
Office Supplies	$350.00	$460.00	$810.00
Venue & Equipment Rental	$1,340.00	$1,700.00	$3,040.00
Documentation (Film, audio, photo)	$350.00	$400.00	$750.00
Postage	$1,000.00	$1,120.00	$2,120.00
Indirect @ 7%	$3,500.00	$3,746.33	$7,246.33
Total Operating Expenses	$16,990.00	$19,909.00	$36,899.00
Total Direct Expense	$13,490.00	$16,162.67	$29,652.67
Indirect Expenses	$3,500.00	$3,746.33	$7,246.33
Total Expenses	$49,190.00	$54,329.00	$103,519.00

Source: Department of Public Health

I:\Eric\Contracts\Mangini\Youth Speaks\Youths~1

Tobacco Free Neighborhoods
Community Capacity Building Projects

Project Budget

Infusion-One Youth Leadership Development
1331 Evans Avenue
San Francisco, CA 94124

PERSONELL	
Executive Director *(.15 FTE of $50,000 annual salary=$7,500)*	7,500.00
Project Coordinator *(.50 FTE of $25,000 annual salary = $12,500)*	12,500.00
Administrative Support *(.25.FTE of $28,000 annual salary = $7,000)*	7,000.00
Total Salaries	27,000.00
Fringe Benefits *(Medical/Dental/Retirement)*	5,940.00
Total Personnel Expenses	$ 32,940.00
Operating Expenses:	
Occupancy 16% @$120 per month = $1,440	1,440.00
Telephone $47 per month = $564	564.00
Project Supplies/Meetings $40 per month = $480	480.00
Transportation Outings/Bus passes $30 per month = $360	360.00
Printing/Advertisement Fliers, brochures, newsletter	591.00
Advocate Stipends 6 advocates @ $145 x 12 months = $8,700	8,700.00
Meeting Space Rental Bayview Opera House Event Rental $425	425.00
Fiscal Sponsor Fee (Tides Center)	4,500.00
Total	$ 17,060.00
Project Total	$ 50,000.00

I:\Eric\Contracts\Wang\Infusion-One\infusbudjustification.xls

Booker T. Washington Community Service Center Budget Justification
January 1, 2001 – December 31, 2001
Source of Funds: Mangini

Personnel Expenditures

Salary .50 FTE Coordinator $29,045 annual salary	$14,523.00
Fringe Benefits Medical, dental and vision @$239/month @ 12 months	$ 2,868.00
Payroll Tax 10% of salary and fringe benefits	$ 1,739.00
Total of Personnel Expenditure	$19,130.00

Operating Expenses

Stipends	
Rate of $70/month for 8 Advocates @ 12 months	$ 6,720.00
Rate of $375/month for 2 interns @ 12 months	$ 9,000.00
Rent $250 per month for 12 months	$ 3,000.00
Utilities $150 per month for 12 months	$ 1,800.00
Telephone $50 per month for 12 months	$ 600.00
Office Supplies Basic supplies including paper, printing, postage, etc. Rate of $100/month for 12 months	$ 1,200.00
Meeting Expenses This category includes food for meeting, travel, etc. Rate of $153.66 per month for 12 months.	$ 1,844.00
Consultant Community organizing consultant that is specific to the African American population. Rate of $25 per hour for 40 hours.	$ 1,000.00
Incentives Youth trips as incentives which aid in fostering group cohesion and retention in the program	$ 1,000.00

I:\Erin\Contracts\Mangini\BTW\BTW Justification.doc

Total Operating Expenses	$26,164.00
Total Direct Expenses	$45,294.00
Indirect Expenses Rate of 15% of total personnel expenditure	$ 4,706.00
Total Expenses	$50,000.00

I:\Erie\Contracts\Mangini\BTW\BTW Justification.doc

B: Contract with the San Francisco Study Center in the amount of $145,060 to provide fiscal sponsor services for two Community Capacity Building projects.

1) The San Francisco Study Center was selected as a contractor through a competitive bid process. The contractor will provide fiscal sponsor services to two community-based organizations that were selected through a competitive bid process. The agencies selected to implement the Community Capacity Building process are Infusion-One located in the Bayview and Booker T. Washington Community Services Center located in the Western Addition. Each agency will be funded in the amount of $50,000.

Infusion-One is a non-profit community based organization in the Bayview which has for five years provided youth leadership development training to youth 11 – 19 years old. Their training includes critical thinking library research, public speaking, event planning and community organizing. Infusion-One has a close working relationship with the San Francisco Unified School District and has provided academic, athletic and life skills classes to students at 5 schools and one after school program in Bayview Hunter's Point.

Booker T. Washington Community Service Center was founded in 1919 and has provided leadership, community services and programs to the African American community. The goal of the agency is to empower all members of their community. Booker T. Washington Community Service Center programs include tobacco prevention, academic coaching, community science workshop, community gardening, entrepreneurial projects, group counseling, multi-media lab, nutrition, health classes and a Family Resource Center.

Projects will receive extensive and ongoing technical assistance and training from the Tobacco Free Project staff. The agencies' community capacity process will include:

a) Recruit and Train Advocates

- The community based organization recruits 5-8 advocates and, in collaboration with staff from TFP, trains the advocates around tobacco control issues and skills necessary to implement the CCB process. The advocates will be required to make a long- term commitment to see the CCB process through its completion.

b) Community Diagnosis

- Name the Issue: advocates collectively identify issues of concern. They then critically analyze those issues and identify the root cause of those issues.
- Action Research: Action Research includes:

1. Assess existing records: advocates identify existing polices, laws, procedures that may already impact their issue or could be modified to impact their issue.

2. Neighborhood/Community Mapping: advocates identify the physical boundaries of their neighborhood/community. They then map out the institutions, businesses, agencies, organizations, etc. within their defined neighborhood/community.

3. Identify individual and community strengths: advocates do an "assets map" of community identifying skills, knowledge, experiences, and potential allies/supporters

Source: Department of Public Health

4. Tobacco Indicators: advocates collect information through community opinion surveys, key leader interviews, potential policies and community opinions around potential policies, tobacco purchase surveys, tobacco advertising and promotion surveys, etc.

- Analyze findings: advocates analyze the information they have gathered and identify an Action to address an issue of concern. The Action should be: 1) achievable, 2) have the potential for sustainability, and 3) compel a group/agency/organization to change the place they live for the well being of all.

c) Developing an Action Plan: advocates create an action plan to achieve their Action. The action plan draws on the strengths and assets of community members. The action plan includes steps for achieving the action such as: identifying target agency/board/group to approach, mobilizing supporters, developing an educational packet, conducting media advocacy, and identifying potential barriers. The action plan also includes an evaluation component.

d) Implementing the Action Plan: advocates implement the action plan. The action plan may include an outreach plan, media advocacy plan, developing a model policy, advocating for a policy, and making presentations.

2) Fiscal sponsor services will also include support for media campaigns implemented by Intersection for the Arts/Youth Speaks, Booker T. Washington Community Services Center and Infusion-One in the amount of $25,000. Media costs will include development and placement of anti-tobacco ads in movie theaters, cable TV, radio and print; production of press kits.

3) Additional fiscal sponsor support will be provided in the amount of $5,060 through promotional items, incentives, and training expenses such as attendance at tobacco related conferences, rental of training space, speaker honoraria.

Item 9 - File 00-1959

Department: Airport

Item: Ordinance appropriating $671,165,000 of San Francisco International Airport Second Series Revenue Bond proceeds to fund various capital improvement projects.

Amount: $671,165,000

Source of Funds: San Francisco International Airport Second Series Revenue Bond (Airport Revenue Bonds) proceeds.

Description: On October 2, 2000, the Board of Supervisors authorized the issuance of $671,165,000 of San Francisco International Airport Second Series Revenue Bonds (File 00-1191). The Airport Commission intends to use the proceeds of these Bonds to finance capital projects at the Airport. These capital projects are in addition to the Master Plan projects financed by Bonds previously approved by the Board of Supervisors. According to Ms. Lisa Harris of the Airport, the amount of $671,165,000 comprises (a) $621,120,062 in project costs for 94 separate capital improvement projects, and (b) $50,044,938 in capitalized interest, debt service, and issuance costs.

Budget: A summary budget is as follows:

Project Categories		Cost
Master Plan, Phase B (7 projects)		$305,108,920
Airfield improvements (10 projects)		58,253,251
Environmental (10 projects)		20,882;422
Revenue maintenance and generation (6 projects)		47,383,901
Safety and security enhancements (26 projects)		77,275,745
Service improvements (31 projects)		55,174,265
Facilities integration (4 projects)		57,041,558
	Subtotal:	$621,120,062
Capitalized interest, debt service, and issuance costs		50,044,938
	TOTAL:	$671,165,000

Ms. Harris states that total costs for the 94 projects are expected to be $779,468,000, which include (a) capital project costs of $621,120,062, (b) capitalized interest on the Airport Revenue Bonds in the amount of $93,248,000, (c) a debt service reserve of $55,032,000, and (d) debt issuance costs of $10,067,938. Sources of funding totaling $779,468,000 include the subject Airport Revenue Bonds ($671,165,000), projected interest earnings on the Bond proceeds ($30,303,000), and proceeds from the sale of Airport commercial paper and variable rate demand notes to be repaid from operating revenues ($78,000,000).

With regard to the $78,000,000 in Airport commercial paper and variable rate demand notes, Ms. Harris advises that the Airport expects to keep those commercial paper notes outstanding until the Airport is ready to repay them from operating revenues. Ms. Harris advises that the Airport does not expect to repay the $78,000,000 in commercial paper notes with long-term Airport revenue Bond proceeds.

Attachment I, provided by the Airport, provides detailed information on each of the 94 individual projects within the above project categories which will be funded by the Airport Revenue Bonds. The worksheet contains the following information for each of the 94 projects:

(a) Name of project
(b) Project description
(c) Estimated project cost
(d) Percentage of total program cost
(e) Project's start and completion dates
(f) Budget details
(g) Date of competitive bidding process, and the name of selected contractors for those projects where the competitive bidding process has already been completed
(h) Projected annual revenue to be generated by the project upon completion.

Thirty-five of the projects listed in Attachment I are highlighted and in bold text. Ms. Harris advises that these 35 projects are the projects for which the Airport

requires immediate appropriations approval because contractors have already been selected and design and/or construction work is already underway. Ms. Harris states that there have been no expenditures incurred against the subject $671,165,000. Ms. Harris states that all design and/or construction work currently underway is being funded from other previously appropriated sources.

Comments:

1. Prior to approving the issuance of $671,165,000 in Airport Revenue Bonds (File 00-1191), the Board of Supervisors had approved issuance of $220,000,000 in Airport Revenue Bonds in June of 1997 (File 170-97-6) and $165,000,000 in March of 1999 (File 99-0206). These three Airport Second Series Revenue Bond issuances jointly amount to $1,056,165,000, to be used for Airport infrastructure projects which are additional to those near-term Master Plan projects already funded by a further $2,850,000,000 in Bonds approved by the Board of Supervisors for the Airport's Master Plan construction projects.

2. The capital projects to be financed by the $671,165,000 in Airport Revenue Bonds were reviewed and recommended by (a) the Airport Commission on September 19, 2000, and (b) the Capital Improvement Advisory Committee (CIAC) on August 29, 2000.

3. The Airport is seeking appropriation approval for the full amount of $671,165,000. Attachment II, provided by Mr. John Martin, Airport Director, states that appropriation of the full amount would:

- Allow the Airport to use proceeds from its existing commercial paper program[1] to fund projects' preliminary engineering and design, as well as construction and other costs, prior to issuance of the

[1] According to Ms. Harris, while the Airport has authorization to issue $400,000,000 in Commercial Paper, and has $350,000,000 currently issued, the Airport intends to refund some of that currently issued Commercial Paper in order to make Commercial Paper funding available for future runway expansion costs. Of the Commercial Paper kept aside for the subject capital improvement projects, Ms. Harris states that such Commercial Paper is likely to fund: (a) Boarding Area B construction costs ($66,358,920) and contingency costs ($5,000,000), (b) architecture and engineering design costs for all projects ($49,939,947), (c) code inspection services for all projects ($28,836,225), and (d) other miscellaneous costs ($557,950), for total Commercial Paper funding of $150,693,042.

long-term Airport Revenue Bonds. Commercial paper rates have been consistently lower than long-term bond rates, according to Attachment III.

- Provide the Airport with the flexibility to determine the schedule and sizing of its bond issuances in order to gain the lowest price.

4. Ms. Harris argues that full appropriation authority without reserving any Bond funds would permit the Airport to:

- Use commercial paper to fund architecture and engineering design services (typically 15 percent of total project costs) for any of the 94 projects listed in Attachment I, rather than for just those projects which have already received appropriation approval.
- Expend Bond proceeds as soon as the Bonds have been issued, without separate Board of Supervisors approval for a release of reserves.

The Budget Analyst notes, however, that if Bond funds are appropriated but reserved, the Airport would still be able to issue the Bonds.

5. Of the $671,165,000 in Airport Revenue Bond proceeds, Ms. Harris states that the Airport has immediate need of $458,478,812 or approximately 68.3 percent. The amount of $458,478,812 comprises:

- $369,288,379 for the 35 projects for which the Airport has already selected a contractor and begun design and/or construction work.
- $43,860,731 for capitalized interest, debt service, and issuance costs related to those 35 priority projects.
- $37,774,752 for architecture and engineering design work related to the remaining 59 projects. This amount is 15 percent of the total cost of the remaining 59 projects ($251,831,683).
- $7,554,950 for code inspection services related to the remaining 59 projects. This amount is 3 percent of the total cost of the remaining 59 projects.

Ms. Harris states that architecture and engineering design services, and code inspection services are provided

in-house by Airport project managers, architects, engineers, and environmental experts.

6. The Board of Supervisors could appropriate either (a) the full amount of $671,165,000 for the entire schedule of 94 projects, with no reservation of funding, or (b) the full amount of the $671,165,000, reserving all funding except for the likely design and/or construction costs of those projects which the Airport intends to begin immediately. Under the second scenario, the Airport would need to seek a release of reserves when the Airport is prepared to expend Bond funds for the remaining projects.

7. During the preparation of this report, the Budget Analyst has experienced considerable difficulty in obtaining from the Airport (a) a consistent account of what the Airport's project priorities actually are, and (b) consistent project details in terms of the Airport's selection of contractors for specific projects. Therefore, the Budget Analyst recommends that the balance of the subject appropriation be placed on reserve until the Airport is able to provide sufficient budget information to justify release of the required reserves.

8. Ms. Harris states that, at a minimum, each of the 94 projects generates revenues equal to or larger than the debt service payment charged through airlines rates and charges. Under the Airport's Lease and Use Agreement with the airlines, the annual debt service cost associated with each project is guaranteed to be recoverable from airline terminal rentals and landing fees. However, according to Ms. Harris, where individual projects generate revenue for specific recipients (for example, parking garages or the rental car center), then another methodology, separate from the Lease and Use Agreement, is used to assess the revenues recoverable from those projects. For example, in the case of a parking garage, the potential parking fee revenue is evaluated to determine the financial capacity of such revenue to meet debt service requirements for that portion of Bond proceeds required to fund such a parking garage project.

Recommendations:

1. Approve the proposed appropriation ordinance.
2. Reserve $212,686,188 of the total appropriation ($671,165,000 less $458,478,812, as discussed in Comment No. 5 above), for release in installments when the Airport is ready to commence design and construction of each of the remaining 59 capital improvement projects.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Total Master Plan, Phase B														
Central Terminal and Boarding Area D Remodeling	This project designs, furnishes and remodels the Central Terminal and B/A D. Add new mezzanine level for the new AirTrain station. Excluded: loading bridges, hydrant fuel system, baggage systems, taxiway realignments & aircraft support systems.	$35,000,000	5.63%	Jan-01	Apr-03		27,650,000	2,100,000		2,625,000	2,625,000		10/30/1995 Gensler/ Willis Corp.	$3,150,000
AirTrain Guideway from Lot D to Lot DD	This project provides 12 additional AirTrain vehicles, controls, power, signage, maintenance facilities and other ancillary operational requirements to serve auto parking customers at Lot DD.	83,000,000	13.36%	Jun-00	Aug-03	34,000,000	34,000,000	5,000,000		5,000,000	5,000,000		9/21/99 Dcools J. Amoroso Coostructn	$7,470,000
Boarding Area B Apron HazMat Site Abatement	This project conducts a survey, performs laboratory tests, prepares contract documents, and abates hazardous materials for construction of the Boarding Area B apron.	22,500,000	3.62%	Apr-03			19,462,500	1,350,000		1,687,500			8/97 Aman; 12/97 OCISO	$2,025,000
Boarding Area B HazMat and Demolition	Conduct survey, perform laboratory tests, prepare contract documents, and abate hazardous materials in Boarding Area B. Demolish selected areas that will be replaced and expanded.	6,000,000	0.97%	Apr-03			5,000,000			1,000,000			Comp Bid	$540,000
Boarding Area B	This project will fund the design and phase I of the construction necessary to remodel the Boarding Area B. Reconfiguration includes demolition, electrical, mechanical, design and construction management costs, as well as equipment and construction costs.	101,358,920	16.32%	Jan-01	Jul-06		66,358,920	5,000,000		20,000,000	10,000,000		4/19/94 Fong & Chso Architects	$9,122,303
Public Parking Structure on Lot DD - Phase II	This project will design and construct a multi-level public parking structure to the west of the existing Lot DD Parking Garage. The structure will be seven stories and provide approximately 3,000 parking stalls.	45,000,000	7.24%	Jul-03	Jun-06			41,625,000		3,375,000			Comp Bid	$4,050,000
Two Stations for AirTrain Extension	This project constructs two stations for the AirTrain extension to Lot DD. Costs include design and construction of two stations, one at the United Airlines Maintenance Station (the largest employment center at the Airport) and one at Lot DD	12,250,000	1.97%	Mar-01	Aug-03		10,000,000	750,000		750,000	750,000		Comp Bid	$1,102,500
	Total Master Plan, Phase B	$305,108,920	49.12%			$34,000,000	$162,471,420	$55,825,000	$0	$34,437,500	$18,375,000	$0		$27,459,803

* Budget detail on the projects was developed using historical design, construction, and equipment data on like projects with similar scope; estimated time-and-materials; and in-house engineers' and architects' estimates.

** All projects are competitively bid.

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Airfield Improvements														
Global Positioning System Preparation	This project originally provided for the installation of a microwave landing system to improve airfield safety and reduce the aircraft noise in neighboring communities. FAA has terminated MLS development and is seeking to make GPS the primary system.	$750,000	0.12%	Jul-00		750,000							Equipment item - PO pending	$67,500
Field Lighting Raceway System Improvement	This project will relocate all components of the distribution portion of the circuits away from the critical areas, thus permitting access to the components without runway or taxiway closures.	23,099,970	3.72%	Jan-99	Mar-02		20,000,000			1,599,970	1,500,000		Comp bid in phases	$2,078,997
Runways 28L and 28R EastEnd Hold Apron Widening	This project will provide two streams of taxiway aircraft to the east end of Runways 28L and 28R so that both runways will be served simultaneously, which will improve efficiency and reduce delay.	10,000,000	1.61%	Aug-00	Sep-01		8,000,000	800,000		500,000	500,000	200,000	Feb 01	$900,000
Airfield Low Visibility Improvements	As mandated by the Federal Aviation Administration (FAA), this project will improve and add airfield lighting, signs and associated electrical systems.	5,526,500	0.89%	Dec-00	Jun-02		4,800,000			500,000	226,500		Jun 01	$497,385
Taxiway Repair and Construction	This project will involve construction of taxiway pavements, consisting of excavation, grading, cold-planing pavement removal, underground utilities construction, hazardous material handling and management, preparation of subgrade, and construction of pavement.	3,000,000	0.48%	Nov-00	Dec-02		2,600,000			300,000	100,000		Jun 01	$270,000
Field Lighting Control System Upgrade	This project will upgrade the current field lighting control system that controls the runway and taxiway lights and signs. It will enhance directional signs and lighting in the airfield, enhancing aircraft safety.	735,000	0.12%	May-01	Dec-02		635,000			50,000	50,000		Oct 01	$66,150
Taxiway Repair and Construction	This project will involve construction of taxiway pavements, consisting of excavation, grading, cold-planing pavement removal, underground utilities construction, hazardous material handling and management, preparation of subgrade, and construction of pavement.	3,000,000	0.48%	Jun-01	Dec-02		2,600,000			300,000	100,000		Nov 01	$270,000

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Airfield Drainage Repairs, Phase B	This project will fix the drainage problems at various areas on the Airfield. It will include paving over non-wetland areas, grading, hydroseeding, installation of new catch basins and drainage pipes and adjusting elevations of existing catch basins.	1,000,000	0.16%	Jun-01	Dec-02		870,000			100,000	30,000		Nov 01	$90,000
Taxiways A and B Realignmt, East Phase	This project will involve construction of taxiway pavement, consisting of excavation, grading, cold-planing pavement removal, underground utilities construction, hazardous material handling and management, preparation of subgrade, and construction.	8,500,000	1.37%	Oct-98	Dec-00		7,660,000	450,000		120,000	240,000	30,000	10/5/99 Pavex Constructn/ JMB, Joint Venture	$765,000
Taxiway H and M Realignment	This project will realign Taxiways H and M at the South Terminal to provide the necessary clearance for aircraft taxiing and parking and for service roads around Boarding Area A.	2,641,781	0.43%	Jun-99	Dec-00		2,091,781	200,000		150,000	150,000	50,000	1/6/00 Ilucy Constructn Management	$237,760
	Total Airfield Improvements	$58,253,251	9.38%			$750,000	$49,256,781	$1,450,000	$0	$3,619,970	$2,896,500	$280,000		$5,242,793

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Environmental														
Chlorofluoro-carbon (CFC) Conversion of Central Plant Chiller	This project will upgrade three chillers to use non-CFC refrigerant.	$1,251,672	0.20%	Jun-98	Apr-01		1,127,567		22,862	15,543	85,700		Jun-00	$112,650
Hazardous Waste Disposal and Remediation	This project disposes of or treats the contaminated material found at the job site or from the leaking underground fuel storage tanks or piping and performs related remediation work.	726,000	0.12%	Jul-00			671,550			54,450			Comp Bid	$65,340
South Detention Pond Improvemt	This project will convert the old South Oxidation Pond to a new detention pond. The work will consist of hazardous material handling and management, excavation, trenching, underground utility construction, pump stations construction, and surface lining construction.	2,839,000	0.46%	Aug-00	Dec-01		2,099,000	300,000		180,000	180,000	80,000	Work to be conducted by Airport Commissn personnel	$255,510
Sewage Pump Stations Upgrade	This project will improve all Airport sewage pump stations to handle additional flow from the new Master Plan facilities.	736,000	0.12%	Jun-01	Dec-02		600,000	46,000		45,000	45,000		Dec 01	$66,240
Solid Waste Compactors and Improvements	This contract will replace five existing solid waste compactors and will also provide the electrical power and the structural work to handle the new compactors.	435,750	0.07%	Apr-99	Jun-01		350,000	26,250	7,000	26,250	180,000			$39,218
Airport Drainage System Improvemt, Phase B	This project will improve part of the Airport's drainage system. The work will consist of trenching, pavement removal, underground utility work, backfill, shoring, pipe installation and pavement replacement.	3,000,000	0.48%	Nov-00	Dec-02		2,600,000			300,000	100,000		Equipment and Airport Commissn personnel	$270,000
HARD Wetland Enhancemt Project	The project will enhance 324 acres of wetlands in Hayward, California as partial mitigation for filling 14.11 acres of wetlands as part of Master Plan projects and airfield safety improvements at the Airport.	1,300,000	0.21%	Jul-00			1,300,000						6/15/99 Hayward Are Rec. & Parks District	$117,000

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
uter Bair Island	The project will create 37.5 acres and enhance an additional 140 acres of wetlands on Outer Bair Island near Redwood City as partial mitigation for filling 14.11 acres of wetlands as part of Master Plan projects and airfield safety improvements at the Airport.	5,625,000	0.91%	Jul-00			5,625,000						Airpart Commissn with local govts in project area	$506,250
Vest of Bayshore Vetland nhancemt roject	The project will enhance 8.5 acres of wetlands on the West of Bayshore Freeway (US 101) portion of the Airport as partial mitigation for filling 14.11 acres of wetlands as part of Master Plan projects and airfield safety improvements at the Airport.	500,000	0.08%	Jul-00			500,000						9/21/99 LSA Assoc.	$45,000
litigation equiremts	This project will fund various wetland mitigation projects resulting from Near Term Master Plan and infrastructure projects at the Airport. Wetland restoration will take place in Palo Alto, Crissy Field (San Francisco), India Basin (San Francisco), and Hunters Point.	4,469,000	0.72%	Jul-00			4,469,000						Airport Commisso with local govts in project area	$402,210
	Total Environmental	$20,882,422	3.36%			$0	$19,342,117	$372,250	$29,862	$621,243	$436,950	$80,000		$1,879,418

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Revenue Maintenance and Generation														
Lot DD Parking Lot Surface Paving	This project will contract r new vehicle parking lot at Lot DD. This project will consist of excavation, grading, trenching, pavement removal, underground utilities construction, hazardous material handling and management, preparation of subgrade, and construction.	10,000,000	1.61%	Jul-98	Jan-01		8,709,000	275,000		816,000	200,000		9/29/99 DaSilva Gates/ Ramirez	$900,000
Site Planning and Traffic Studies for Multi-Modal Center on Lot DD	Korve Engineering will provide site planning and traffic studies for Multi-Modal Center on Lot DD. The scope includes identifying site constraints, circulation requirements, new garage operational requirements, site configuration, access planning.	158,901	0.03%	Jul-01	Dec-01					158,901			Comp Bid	$14,301
Boarding Area D Specialized Equipment from Remodel	After the Boarding Area D remodel, this project provides for the purchase of baggage handling security screening equipment, common use terminal equipment, visual information displays, gate management system, baggage system security screening devices, and other equipment.	25,000,000	4.02%	Jul-01	Apr-03	25,000,000							Comp Bid	$2,250,000
Construcin of Alternative Point of Entry (APOE) Building No. 2	This project constructs an APOE building near Boarding Area A.	8,490,000	1.37%	Sep-00	Dec-01	6,000,000	1,927,500	187,500		275,000	100,000		11/97 SASCO; 12/16/97 HSQ; 10/28/98 In Vision	$764,100
Telecommunications Infrastructor Development - North Terminal Area	This project allows for the purchase and installation of telecommunications equipment and infrastructure to serve the expanding Airport telecommunication distribution system.	1,867,500	0.30%	Mar-01	Dec-02		1,497,000			233,000	137,500		12/97 Amelco; 11/97 SASCO; 12/97 HSQ; 10/98 In Vision	$168,075
Telecommunications Infrastructur Development - South Terminal Area	This project allows for the purchase and installation of telecommunications equipment and infrastructure to serve the expanding Airport telecommunication distribution system.	1,867,500	0.30%	Mar-02	Jun-03		1,497,000			233,000	137,500		12/97 Amelco; 11/97 SASCO; 12/97 HSQ; 10/98 In Vision	$168,075
	Total Revenue Maintenance and Generation	$47,383,901	7.63%			$31,000,000	$13,630,500	$462,500	$0	$1,715,901	$575,000	$0		$4,264,551

83

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail* Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs	Date of Competitive Bid** & Selected Contractor	Projected Revenues
Safety and Security														
Americans with Disabilities Act (ADA), Phase II	This project is the second phase of a multi-phase project that will bring the Airport in compliance with federal requirements, the latest being the Americans with Disabilities Act (ADA), which was signed into law on July 26, 1990.	$4,043,000	0.65%	Jun-00	Dec-02		3,500,000			271,500	271,500		1/26/98 DPW work order	$363,870
Americans with Disabilities Act (ADA), Phase III	The third phase of this project will bring the Airport in compliance with current ADA requirements and regulations. The priority of the improvements are as follows: elevators, drinking fountains, signage, family companion restrooms, protective railings,	6,225,000	1.00%	Feb-01	Oct-03		5,500,000			362,500	362,500		Pending future DPW work order	$560,250
Airport Perimeter Fence Installation	This is a fencing contract that will retain a contractor on an as-needed basis to construct and install the security fence in connection with the Master Plan construction	368,000	0.06%	Dec-00	Oct-02		300,000	30,000		271,500	20,000		Jun-00	$33,120
West Field Security Checkpoint	This project will construct a permanent security checkpoint facility at the service road northeast of the new Emergency Response Facility #1. The construction will consist of excavation, trenching, underground utilities construction, pre-engineered structures.	1,500,000	0.24%	Jan-00	May-01		1,085,000	200,000		100,000	271,500	40,000	Work to be conducted by Airport Commission personnel	$135,000
North Terminal Fire Protection, Mechanical, Lighting and Ceilings	This project is required in order for the North Terminal to meet the same level of safety and security standards currently existing at other terminals. The project includes installation of a new sprinkler system, a seismic bracing of the existing utility system, and replacement and enhancement of lighting and ceilings.	21,000,000	3.38%	May-01	Mar-03		19,000,000			1,500,000	500,000		A/E by RFP, May-01	$1,890,000
South McDonnell Road Roadway Lighting	This project along South McDonnell Road (formerly known as R-2) calls for a roadway lighting system that will provide sufficient levels of lighting necessary for vehicular and pedestrian traffic safety	1,000,000	0.16%	Feb-01	Dec-02		870,000			100,000	30,000		Aug-01	$90,000
North Terminal Seismic Retrofit	This project will fund architectural engineering services only for North Terminal seismic work. This project is part of CT 3869 North Terminal Renovations, which has already received airline approval.	2,000,000	0.32%	Nov-98	Jun-01		1,600,000	200,000		100,000	100,000		6/6/00 SOHA/ FBA	$180,000

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
South Field Check Point	This project will construct a permanent security checkpoint facility at South Field. This project will consist of excavation, trenching, underground utilities construction, pre-engineered structure installation, electrical and communication systems.	1,500,000	0.24%	Jan-00	Dec-01		1,200,000	150,000		75,000	25,000		Sep 01	$135,000
Pavement Repair and Construction	This project will construct or repair, on an as-needed basis, Airport (primarily asphalt) pavements, consisting of excavation, trenching, cold-planing pavement removal, underground utilities construction, and hazardous material handling.	1,000,000	0.16%	Mar-00	Mar-02		800,000	100,000		50,000	50,000		Compet. bid, Sep-01; 10/31/00 Commissn approved award	$90,000
Pavement Repair and Construction	This project will construct or repair, on an as-needed basis, Airport (primarily asphalt) pavements, consisting of excavation, trenching, cold-planing pavement removal, underground utilities construction, and hazardous material handling.	1,000,000	0.16%	Jan-01	Dec-02		800,000	100,000		50,000	50,000		Jul 01	$90,000
Concrete Repair and Construction	This project will construct or repair, on an as-needed basis Airport cement concrete pavement/slab, consisting of excavation, trenching, cold-planing pavement removal, underground utilities construction, and hazardous material handling.	500,000	0.08%	Jun-01	Dec-02		400,000	50,000		25,000	25,000		Dec 01	$45,000
Airport Structures Seismic Improvement, Phase A	This project will assess the current structure condition and construct main frame structure improvement to North Terminal structures. The work may consist of strengthening the foundation, columns and beam supports, connections, shear wall construction an	10,000,000	1.61%	May-01	Dec-02		8,000,000	800,000		500,000	600,000	100,000	Competitive bid, Nov-01	$900,000
Airport Roadway Resurfacing	This project will construct or repair Airport roadway pavements, consisting of excavation, trenching, cold-planing pavement removal, underground utilities construction, hazardous material handling and management, and preparation of subgrade.	4,000,000	0.64%	Jun-00	Dec-01		3,200,000	400,000		200,000	200,000		Dec 00	$360,000
Airport Facilities Fire Protection Improvemt	The Airport must upgrade the fire protection system of various facilities. This annual contract will expedite the contract administration and provide for a 24-hour on-call service.	587,045	0.09%	Apr-99	Mar-01		471,900	33,707	9,438	47,000	25,000		Aug 99 Value Fire Protection	$52,834

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
lorth Terminal latural Gas louseline Jpgrade	This contract will replace and upgrade Airport-owned natural gas piping.	316,250	0.05%	Apr-00	Feb-00		293,750			11,25	11,250		Nov 01	$28,463
Boston Whaler — Quick Response or Water Rescue	Boston Whaler, 21 feet 6 inches, with enclosed cab and dual screw engine. This project will replace the Boston Whaler, which was purchased in 1976. The "Eagle" is approximately 22 years old, 21'6" in length, and is used for rescue operations.	120,000	0.02%	Jan-01	Jan-01	108,000		12,000					6/6/00 Boston Whaler Commercial and Govt Products	$10,800
Air, Rescue and Fire Fighting (ARFF) Crash and Rescue Vehicle	This apparatus should be able to pump and drive and have the capacity/specs of 4,000 gallons of water. 500 gallons of foam and 500 pounds of Halon, 8-wheel drive, roof turret, bumper turret, and be able to have all controls in the cab.	700,000	0.11%	Jan-01	Jun-01	700,000							Comp bid quote obtained	$63,000
Airfield Rescue Vehicle	3/4 ton chassis with crew cab and a semi-ambulance body. Can carry large bottle of D- cylinder oxygen, backboards, splints and all advance life support equipment	110,000	0.02%	Jan-01	Jun-01	99,000		11,000					Comp bidders list & prices obtained	$9,900
Airport Facilities Fire Protection and Plumbing Improvement	This project will modify the Master Plan facilities HVAC system to suit tenants, Airport staff and any special requirement.	1,000,000	0.16%	Nov-00	Feb-02		870,000			65,000	65,000		Jun 01	$90,000
Airport Wide EMCS	This project is the first phase of a multi-phase project that will provide the Airport with an effective Energy Monitoring Control System (EMCS). This project will allow the Airport to monitor and respond to complex utilities and infrastructure systems.	6,000,000	0.97%	Oct-01	Oct-03		5,200,000			400,000	400,000		Apr 02	$540,000
Electrical Recirculting of Critical Circuits, Terminals	This project will reroute all conduits and circuits feeding all Airport critical systems so they can be fed from an alternate source of power (i.e., United cogeneration plant) in case of a PG&E area-wide power failure.	12,450,000	2.00%	Jul-00			11,516,250			933,750			Comp Bid	$1,120,500

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Emergency Call Boxes in West Field Garage	This project installs an Emergency Call Box system in the West Field Garage similar to the system used in the Lot DD Garage.	62,250	0.01%	Jul-00			62,250						Airport Commissn equipment - PO pending	$5,603
Fireboat	The new fireboat should be capable of maneuvering in the shallow tidal flats off the approach end of Runways 28R/28L. It also should have a pump and water-deluge system. This project replaces Fireboat Nutley, which was purchased in 1988.	500,000	0.08%	Jan-01		450,000		50,000					6/6/00 Boston Whaler Commercial and Govt Products	$45,000
New Construction of Emergency Response Facility (ERF) 2 Addition	Additional alternate area for ERF 2 featuring 3,000 square feet (including sidewalk) at $150/sq. ft. to be finished as a multi-function room.	575,000	0.09%	Jul-01	Dec-01		531,875			43,125			Comp Bid	$51,750
Oshkosh T-3000 ARFF	T-3000 dual agents, roof and bumper turret pump and drive with undercarriage that can be operated in the cab. This project replaces the Mobile 41 Aircraft Rescue Firefighting (ARFF) vehicle.	490,000	0.08%	Jan-01			490,000						Comp Bid	$44,100
Replace Composite Roofs on Elevator Cores and Stairwells	This project replaces composite in Central Garage elevator cores and stairwells.	229,200	0.04%	Jan-01			229,200						Comp Bid	$20,628
	Total Safety and Security	$77,275,745	12.44%			$1,357,000	$65,920,225	$2,136,707	$9,438	$4,852,125	$2,860,250	$140,000		$6,954,817

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Service Improvement														
Water Service Improvement - Northeast Field	This project installs new utilities (water, sewer, drain, industrial waste, etc.) around Plots 20, 22, 24 and 50.	$919,000	0.15%	Dec-00	Dec-01		799,000			60,000	60,000		Jun 01	$82,710
Electrical Power Distribution System Upgrade	The electrical power distribution system's equipment, raceways and cabling are deteriorating and need replacement. This project will replace components that are detected as failing and those that are estimated to be reaching the end of their useful life.	3,675,000	0.59%	Jul-01	Dec-02		3,437,500			118,750	118,750		Oct 01	$330,750
South Terminal Escalators, Moving Walks and Elevators Upgrade	This project will provide for upgrading and modifying the escalators, moving walks and elevators at the South Terminal to make them safer and more reliable.	963,000	0.16%	Apr-02	Mar-03		838,000			62,500	62,500		Oct 02	$86,670
Central Terminal Escalators, Moving Walks and Elevators Upgrade	This project will provide for upgrading and modifying the escalators, moving walks and elevators at the Central Terminal to make them safer and more reliable.	963,000	0.16%	Sep-00	Aug-02		838,000			62,500	62,500		Jan 02	$86,670
Airport Underground Utilities Repairs	Due to age and natural deterioration or mishaps, portions of the underground utilities fail several times during the year. To avoid lengthy repairs, a 24-hour on-call service contract is set-up to repair any utility failures	376,000	0.06%	Aug-01	Mar-02		306,925	23,025		23,025	23,025		Oct 01	$33,840
Electrical Power Distribution System Upgrade	This project will replace components of the electrical distribution system that are deteriorating and need replacement. Such components will include equipment, raceways and cabling.	4,000,000	0.64%	Jan-01	Aug-02		3,020,000	380,000		300,000	300,000		Jul 01	$360,000
Electrical Station BP Upgrade	This project provides cable upgrade from electrical station M to BP and cables between BP and AM	6,235,000	1.00%	Apr-02	Dec-03		5,485,000			375,000	375,000		Sep 02	$561,150

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
North Terminal B/A-E/F and Hub Connector Carpet Replacement	The re-carpeting of the remaining areas of the North Terminal is being scheduled and phased to follow the North Terminal Hub and Thumb Expansion finish work. The existing carpet is worn and requires replacement.	1,700,000	0.27%	Nov-00	May-01		1,407,000	107,250		134,000	50,750	1,000	Airport Commissn personnel & equipment	$153,000
Central Terminal Construction of New HVAC Facilities	This project will construct new floors at the Central Terminal to house five new HVAC facilities, as well as upgrade the electrical service, which has reached its capacity and is outdated. Furthermore, this project will remove all of the existing antiquated systems.	6,000,000	0.97%	Jun-01	Dec-02		5,200,000			400,000	400,000		Jan 02	$540,000
North Terminal Renovations - Future Improvements	Improvements consist of various terminal aesthetics such as vending alcoves, planters, news rack alcoves, screen walls, casework, public information counters and computer kiosks to improve customer service, public convenience and functionality.	5,000,000	0.80%	Jun-01	Mar-03		4,000,000			800,000	200,000		A/E by RFP, June-01	$450,000
Purchase of Asphalt Milling Machine	This unit is required to continually perform routine maintenance, rehabilitation and upgrading of existing Airport pavements. Specifically this unit will be able to mill existing pavements to a depth required for the installation of the new high stability asphalt.	550,000	0.09%			495,000		55,000					Comp Bid	$49,500
Pavement Repair and Constructn	This project will obtain a contractor on an as-needed basis to repair runways, taxiways or any other parts of the Airport requiring emergency pavement repair.	1,148,000	0.18%	Jul-00	Jun-01		943,550	67,500		67,500	67,500	1,950	4/16/99 Interstate/M H Joint Venture	$103,320
Information Kiosks	In order to better serve the public, information kiosks will be furnished and installed at seven key pedestrian intersections in the existing terminals. These kiosks will be free-standing (not bolted to the floor) and will contain posters and brochures.	266,375	0.04%	Jan-01	Jun-01		266,375						2/22/00 Cuevas & Mannion Constructn	$23,974
Pavement Repair and Constructn	This project will construct or repair, on an as-needed basis, Airport pavements, consisting of excavation, trenching, cold-planing pavement removal, underground utilities construction, hazardous material handling and management, and preparation.	1,275,000	0.21%	Jul-00	Jun-01		904,500	100,000		110,250	110,250	50,000	10/15/99 Interstate/M H Joint Venture	$114,750

89

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
North Terminal Dynamic and Static Signage	The signage in the North Terminal will be upgraded to meet current ADA codes and improve way-finding for the public. All airline gates will be converted to match the alpha-numeric numbering consistent with B/A-"A" and "G" gate signage used in the Master Plan.	2,000,000	0.32%	Apr-01	Dec-02		1,500,000			250,000	250,000		A/E by RFP, Apr-01	$180,000
North Terminal Mechanical Rooms/Equipment Construction/ Retrofit	This project will provide for the construction of two new mechanical rooms on the roof of the North Terminal and decommission the two existing mechanical rooms at the basement of North Terminal. Additionally, this project will retrofit the remaining mechanical rooms.	7,500,000	1.21%	Dec-01	Jun-03		6,500,000			500,000	500,000		Aug 01	$675,000
West Field Road Improvements	This project will widen West Field Road (formerly known as R-6). Project involves excavation, cold planing, pavement removal, subgrade preparation, construction of pavement overlay, purchase of electroliers and installation of roadway signage and pavement.	560,000	0.09%	Jan-99	Dec-00		450,000	45,000		30,000	35,000		Apr 00	$50,400
As-Needed General Construction	The purpose of this contract is to have a contractor on board for as-needed construction, remodel and renovation of existing facilities. Work shall include one or more of the following: demolition, new walls, ceiling, flooring, painting and related electrical systems.	1,867,500	0.30%	Jun-99	Aug-00		1,500,000	112,500	30,000	150,[illegible]	75,000		May 00	$168,075
West Field Road (R-6) Electrical Improvemts	A new street light system for pedestrian and vehicular safety will need to be installed along West Field Road (formerly known as R-6) as well as a new electrical power upgrade to an existing load center to supply these new street lights.	360,000	0.06%	Dec-00	Jun-03		300,000			30,000	30,000		11/97 SASCO Electric	$32,400
Airfield Drainage Repairs, Phase A	This project will fix the drainage problems at various areas on the Airfield. It will include paving over non-wetland areas, grading, hydroseeding, installation of new catch basins and drainage pipes and adjusting elevations of existing catch basins.	468,000	0.08%	Jul-99	May-01		361,500	34,000		33,750	33,750	5,000	4/3/00 JMB Constructn	$42,120
Electrical Constructn/ Repairs, FY 2002	This project will retain an electrical contractor to handle emergency electrical construction/repairs on an as-needed basis.	498,000	0.08%	Jan-01	Dec-02		400,000	38,000		30,000	30,000		11/97 SASCO Electric	$44,820

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
nstall Variable Message Signs VMS)	This project installs VMS systems in the Central Garage.	154,500	0.02%	Jul-01		154,500							Comp Bid	$13,905
Purchase of Jet Vactor	This project purchases a jet vactor.	300,000	0.05%			270,000		30,000					Comp Bid	$27,000
Remodel Central Garage Offices	AMPCO is a parking contractor for the Airport. This project will construct/renovate standard office space for AMPCO on Level Three of the Central Garage.	224,100	0.04%	Jan-01			207,293			16,808			Comp Bid	$20,169
Rental Car Center Service Improvemts	This project provides several necessary service improvements in the Rental Car Center, including, expanding the ground floor and lobby levels to imporve circulation; improving public services to increase customer service; and enhancing access points to the facility.	6,000,000	0.97%	Sep-00	Dec-03		5,100,000			450,000	450,000		12/7/99 Turner Construetn	$540,000
Replace Garage Level 5 Doors and Install Weather Canopies	This project replaces doors at Central Garage Level 5 elevator cores and installs adjacent canopies for weather protection.	199,200	0.03%	Jan-01			199,200						Comp Bid	$17,928
Replace/Modernize Static Signage in Central Garage	This project will upgrade the static signage in the Central Garage.	124,500	0.02%				124,500						Comp Bid	$11,205
Telecommunications Constructn/ Repairs, FY 2001	This project retains an electrical contractor to handle emergency as-needed telecommunications construction/repairs.	510,450	0.08%	May-01	Dec-02		70,000	30,450		205,000	205,000		12/16/97 Amelco Electric; 11/97 SASCO Electric	$45,941

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Telecommunications Construction/ Repairs, FY 2002	This project retains an electrical contractor to handle emergency as-needed telecommunications construction/repairs.	510,450	0.08%	May-02	Dec-03		70,000	30,450		205,000	205,000		Sep 02	$45,941
Tenant Electrical Panelboards	This project installs new electrical panelboards in the North and South Terminals to facilitate the installation of vending machines, ATMs and other tenant loads.	747,000	0.12%	Jan-01	Dec-02		650,000			48,500	48,500		Jun 01	$67,230
Upgrade Valet Customer Waiting Area in Central Garage	This project upgrades the valet parking customer waiting area in the Central Garage.	80,190	0.01%	Jan-01			80,190						Comp Bid	$7,217
	Total Service Improvements	$55,174,265	8.88%			$919,500	$44,958,533	$1,053,175	$30,000	$4,462,583	$3,692,525	$57,950		$4,965,684

	Project Description	Estimated Project Cost	% of Total Cost	Project Start Date	Project End Date	Budget Detail*							Date of Competitive Bid** & Selected Contractor	Projected Revenues
						Equipment	Construction	Contingency	Owner Controlled Insurance Program	Architecture & Engineering Design Services	Code Inspection Services	Other Miscellaneous Costs		
Facilities Integration														
Facilities Integration, Signage Transitional Support	This project provides signage needed to assist passengers in the new International Terminal.	$393,750	0.06%	Jul-00	Jun-01		393,750						Airport Commissn personnel	$35,438
Facilities Integration, Airport Informatnal Mapping System	This project provides funding for "You Are Here" posters/maps in the new International Terminal. The signage will assist the traveling public.	175,000	0.03%	Jul-00	Jun-01		161,875			13,125			Airport Commissn personnel	$15,750
Facilities Integration, Telecommunicat ns Transmissn System	This project will provide a fiber optic telecommunications transmission system for the new International Terminal Complex.	2,900,000	0.47%	Jul-00			2,682,500			217,500			12/16/97 Ameleo Electric; 11/97 SASCO Electric	$261,000
Facilities Integration, IT Tenant Utilities and Infrastructur	This project provides 1) concession corridors/utility extensions, 2) airline offices/utility extensions, 3) food courts/coffee concessions, 4) airline liaison office, 5) security special systems, 6) program management and OCIP, and 7) storefronts and allowances.	53,572,808	8.63%	Jul-00			53,572,808						12/16/97 Ameleo Electric; 11/97 SASCO Electric	$4,821,553
	Total Facilities Integration	$57,041,558	9.18%			$0	$56,810,933	$0	$0	$230,625	$0	$0		$5,133,740
	GRAND TOTAL	$621,120,062	100.00%			$68,026,500	$412,390,509	$61,299,632	$69,300	$49,939,947	$28,836,225	$557,950		$55,900,806

San Francisco International Airport

P.O. Box 8097
San Francisco, CA 94128
Tel 650.821.5000
Fax 650.821.5005
www.flysfo.com

December 8, 2000

Mr. Harvey Rose
Budget Analyst Office
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Dear Mr. Rose:

I am writing to provide additional information concerning the full appropriation authority for the Airport Revenues Bonds in the amount of approximately $671.1 million.

The San Francisco Airport Commission seeks the full appropriation authority for a number of reasons. Appropriation of the full amount will allow the Airport to use proceeds from its existing commercial paper program to fund preliminary engineering and design as well as construction and other costs with respect to these projects pending the issuance of the long-term revenue bonds. Given that the rates for commercial paper have been consistently lower than the long-term bond rates, this allows the Airport to minimize costs associated with its capital program. Currently the average true interest cost (TIC) for the Airport's existing debt is approximately 5.63%, whereas the average TIC for the Airport's commercial paper is approximately 3.8%.

Further, the full authority provides the Airport flexibility in determining the schedule and sizing of the bonds to yield the lowest possible price. Essentially, the full amount of the appropriation will allow the Airport to quickly respond to the market and size the bonds accordingly, thereby minimizing the cost associated with its capital program. Based on discussions with our financial advisors it is possible that future Federal Reserve actions and other market events could dictate interest rates at levels that would warrant a larger bond sizing.

Mr. Harvey Rose
December 8, 2000
Page 2

In summary, the Airport requires flexibility in its bond sizing in order to achieve the lowest capital costs possible. Therefore, it is my recommendation that the Board of Supervisors appropriate the full amount of the Airport's capital plan of $671.1 million.

Very truly yours,

John L. Martin
Airport Director

cc: Marcus Perro
Ed Harrington
Susan Leal
Monique Moyer

Item 10 - File 00-1603

Note: This item was continued by the Finance and Labor Committee meeting of November 15, 2000.

Department: Airport

Item: Ordinance authorizing the Airport Commission to approve the continuation of a contract with the ShuttlePort/DAJA SFO Joint Venture to operate the Airport Curbside Management Program for up to four additional one year options commencing November 15, 2000.

Contract Term: The first year extension option would extend the subject contract with the ShuttlePort/DAJA[1] SFO Joint Venture from November 15, 2000 to November 14, 2001 (12 months). If the three additional one year extension options are approved by the Airport Commission in the future, the subject contract would be extended to November 14, 2004. The original contract did not require Board of Supervisors approval. However, approval of this one year extension option increases the total contract cost over subject contract's first two years to more than $10,000,000, which requires Board of Supervisors approval under the Charter. Approval of the future three one year extension options would not be subject to further Board of Supervisors approval under the subject ordinance.

Amount: Projected to be $6,872,885, and not to exceed $6,875,000, for the November 15, 2000 to November 14, 2001 (Year 2) period. $6,872,885 is an approximately 16.7 percent increase over the $5,889,100 contract amount budgeted for the previous 12 month November 15, 1999 to November 14, 2000 (Year 1) contractual period.

The budget for the Year 2 period, compared to the budget for the Year 1 period, is shown on the following page.

[1] DAJA, Inc. is a registered MBE/WBE firm. While ShuttlePort and DAJA, Inc. submitted their proposal as a joint venture, with DAJA, Inc. as a 40 percent joint venture partner, the Human Rights Commission (HRC) denied their request for a 7.5 percent rating discount on the basis that DAJA, Inc. "has not demonstrated the expertise nor identified its portion of work for the airport operations and ground transportation management" contract and that DAJA, Inc. had failed to meet the joint venture requirements of the Chapter 12D Minority/Women/Local Business Ordinance.

Project Cost Summary	Year One Budget	Year Two Budget	Increase / (Decrease)	Percent Increase
Project Team Staff Labor	$343,080	$371,830	$28,750	8.4 %
Project Team Staff Labor Benefits	76,334	81,610	5,276	6.9 %
Operations Staff Labor	2,548,142	3,079,127	530,985	20.8 %
Operations Staff Benefits	711,074	1,037,966	326,892	46.0 %
SuperShuttle Subcontract(1)	465,000	478,950	13,950	3.0 %
Lorrie's Travel and Tours Subcontract(1)	385,000	396,550	11,550	3.0 %
Annual Support Services (2)	450,030	525,209	75,179	16.7 %
Equipment Purchase	58,100	7,578	(50,522)	(87.0 %)
Scheduled Annual Operating Costs	358,659	317,914	(40,745)	(11.4 %)
Total Operating Cost	5,395,419	6,296,734	901,315	16.7 %
Fee(3)	493,681	576,151	82,470	16.7 %
TOTAL CONTRACT COST	$5,889,100	$6,872,885	$983,785	16.7 %

Notes:

(1) Subcontracts: The ShuttlePort/DAJA SFO Joint Venture has subcontracted with SuperShuttle and Lorrie's Travel and Tours to operate the dispatching of door-to-door vans from designated "Blue Zones" (dispatching for two door-to-door van operators is managed by SuperShuttle from these zones) and "Red Zones" (dispatching for three door-to-door van operators is managed by Lorrie's Travel and Tours from these zones). The dispatching for the remaining nine door-to-door van operators out of the "Yellow Zones" is managed by the ShuttlePort/DAJA SFO Joint Venture.

(2) Annual Support Services: These comprise fees and costs for ShuttlePort/DAJA SFO Joint Venture controller services, external auditors, legal advisors, occupational safety and health services, human resources services, environmental services, information services, operational support services, risk management, labor relations, and logistics and engineering support services. In Years One and Two, these were calculated at approximately 8.3 percent of the total operating cost, and represent approximately 7.6 percent of the total contract cost.

(3) Fee: Under the terms of the subject contract, the profit margin for the ShuttlePort/DAJA SFO Joint Venture is calculated at approximately 9.1 percent of the total operating cost in Years One and Two, and represents approximately 8.4 percent of the total contract cost.

According to Mr. Dan Wong of the Airport, although the Year Two budget is projected to be $6,872,885, only $5,888,000 in ground transportation operator fee revenue (which is equivalent to the approximate budgeted funding for Year One of the contract) would need to be allocated to the subject Year Two contract. According to Mr. Wong, this is because the phased implementation of the Airport Curbside Management Program during Year One (see

"Description" below) is projected to result in approximately $1,939,100 of under-expenditure against the Year One budget which had been determined on the basis of ShuttlePort/DAJA SFO Joint Venture provision of full program services from Day One of the contract. The unexpended funds can be carried forward to fund the balance of the projected Year Two budget of $6,872,885.

The Budget Analyst notes that the Program's projected Year One under-expenditure of $1,939,100 reflects the total anticipated Year One expenditure of $3,950,000 (subject to processing of the final invoice for the year). The Year Two budget of $6,872,885 would therefore represent an approximately 74 percent increase over Year One projected expenditures. This is significantly greater than the 16.7 percent increase shown in the Table above. According to Mr. Wong, the balance of the increase (a projected $1,939,100) is the result of the expenditure difference between the phased implementation of services in Year One and the provision of the full range of services for the entire Year Two period. Mr. Martin also notes that some of the projected expenditure increase is due to added services required in conjunction with the opening of the new International Terminal.

Source of Funds: Airport revenues generated by ground transportation operators which pay fees to operate on Airport premises. Attachment I, provided by Mr. Wong, identifies the sources of the fees which will be paid to the Airport by ground transportation operators between November 15, 2000, and November 14, 2001 and used to fund the Airport Curbside Management Program.

According to Mr. Martin, the trip fees paid by ground transportation operators at the Airport are computed using a cost recovery approach which charges the users of Airport services and facilities for their fair share of Airport capital improvement, operations, and maintenance costs. In the case of ground transportation permit-holders, such services include the Airport Curbside Management Program.

The following table shows the trip fees in effect in 1999, prior to implementation of the Airport Curbside

Management Program, and in 2000 after the Program had been implemented. Between those dates, the trip fees for ground transportation operators not covered by the Airport Curbside Management Program increased from $1.45 to $1.65 per trip, a $0.20 or approximately 13.8 percent increase. Even without the Airport Curbside Management Program, the trip fees for the following four categories of ground transportation operators would have increased by 13.8 percent. Therefore, the last column shows the true impact per trip fee of cost recovery for the Airport Curbside Management Program.

Ground Transportation Category	1999	2000	Difference	Increase due to Airport Curbside Management Program
Door-to-door vans[2]	$1.45	$3.25	$1.80	$1.60
Taxis	2.50	3.25	0.75	0.41
Scheduled buses	1.45	2.75	1.30	1.10
Limousines	1.45	2.75	1.30	1.10

Mr. Martin states that the total trip fees assessed by the Airport amount to between 3.7 percent and 6.8 percent of the gross revenues earned by ground transportation operators at the Airport.

Mr. Martin states that all ground transportation operators, except taxicab drivers, have the flexibility of passing the above trip fee increases through to their customers. Effectively, therefore, fees to operate an Airport Curbside Management Program are paid by the customers who utilize these ground transportation services.

Description: On September 21, 1999, the Airport Commission awarded a $5,889,100 contract for the first time for operation of a Airport Curbside Management Program at all Airport terminals, including the new International Terminal. The

[2] According to Mr. Martin, in the case of door-to-door vans, most operators have experienced a reduction in overall curbside coordination costs as the prior system was based on a lump sum monthly fee regardless of the number of trips made. The current billing system is based on the number of trips made, so the larger operators making more trips, and thereby using the curbside more, pay their equitable share.

Airport Commission awarded the contract to the ShuttlePort/DAJA SFO Joint Venture for one year effective November 15, 1999, extendable for up to four additional one-year extension options. As previously noted, since the original contract was for less than $10,000,000, the original contract was not subject to Board of Supervisors approval.

The Airport Curbside Management Program is designed to improve the quality of the Airport's ground transportation services. The program consolidates:

- The Airport's taxi dispatching functions previously operated by AMPCO System Parking. The ShuttlePort/DAJA SFO Joint Venture took over the Airport's taxi dispatching functions on March 1, 2000.
- The Airport's door-to-door van curb coordination functions previously operated by three separate operating groups, Lorrie's Travel and Tours, SuperShuttle, and Transportation Coordinators of America. The ShuttlePort/DAJA SFO Joint Venture took over the door-to-door van curb coordination functions on April 15, 2000.
- Customer services for the Airport's private scheduled transit and limousine operators. This is a new function required under the subject contract. The ShuttlePort/DAJA SFO Joint Venture commenced private scheduled transit and limousine customer service operations on May 27, 2000. For the Airport's private scheduled transit operators, ShuttlePort/DAJA SFO Joint Venture staff monitor schedule adherence and transit activities at the curb, answer customer questions, and measure ridership. For limousine operators, ShuttlePort/DAJA SFO Joint Venture staff monitor the loading zones, answer customer questions, and check waybills[3].

In addition, Mr. Wong states that all Airport Curbside Management Program employees, whether line, supervisory, or management staff, are required to report

[3] According to Mr. Wong, a waybill is a document which limousine operators are required to complete for each pre-arranged pick-up and drop-off, as required by the California Public Utilities Commission (for audit purposes) and their Airport Operating Permits (for verification of pre-arranged pick-ups and drop-offs).

incidents of solicitation and other illegal activity at the Airport to Airport staff and the San Francisco Police Department.

To perform these functions, the ShuttlePort/DAJA SFO Joint Venture employs approximately 110 staff. Under the subject contract extension, all employees would be provided with medical benefits and remunerated at or above the levels required by the City's Minimum Compensation Ordinance (see Comment No. 6).

As previously noted, the Airport approved a contract for its Airport Curbside Management Program on September 21, 1999. Attachment II, provided by Mr. Wong, explains what Airport ground transportation deficiencies the subject contract is intended to address since such a contract had never previously been implemented at the Airport. According to Mr. Wong, based on the performance of services for which the ShuttlePort/DAJA SFO Joint Venture has progressively assumed responsibility over the last seven months, the Airport Commission concluded that the Airport Curbside Management Program has improved Airport ground transportation providers' services and better managed the Airport's limited curbside loading zones in the following ways:

- Increased monitoring of all ground transportation functions has provided Airport staff and ground transportation operators with additional information to ensure that ground transportation services conform to the terms of each operator's Airport Operating Permit.
- Increased monitoring has reduced the potential for illegal solicitation activities at the various loading zones. According to Mr. Martin, the Airport has not quantified the extent to which illegal solicitation occurs at the Airport. Mr. Martin and Mr. Wong state that an audit was conducted by Airport and Office of the Controller staff in March and April of 1999. The audit report, issued on January 25, 2000, indicated that approximately 11 percent of all commercial ground transportation trips did not register on the Airport's Automatic Vehicle Identification (AVI)

System for billing purposes and, therefore, were operating illegally at the Airport[4]. Mr. Martin states that there has not been a subsequent audit.

- Increased staffing of individual loading zones has increased throughput of ground transportation vehicles by better managing traffic volumes.
- Increased customer service means that the traveling public can receive answers to ground transportation and other Airport questions from staff who are independent of the ground transportation operators, and late night arriving passengers can access ground transportation information more easily.

On August 29, 2000, the Airport Commission exercised the first one year extension option to allow the ShuttlePort/DAJA SFO Joint Venture to continue operating the Airport Curbside Management Program for a second year effective November 15, 2000. Approval of this one year extension increases the total contract cost over its first two years to at least $12,761,985. Since that amount is more than $10,000,000, Board of Supervisors approval is required under the Charter.

[4] All ground transportation operators are required to have the appropriate decal or AVI transponder affixed to every vehicle registered with the Airport. The Police Department's Airport Bureau is the enforcement arm to ensure that any illegal operators at the Airport are cited. According to Mr. Martin, ShuttlePort/DAJA SFO Joint Venture staff are an additional resource to supplement Police and Airport staff efforts to reduce illegal activities.

Performance Measures:

When the subject resolution was initially heard by the Finance and Labor Committee at its September 27, 2000 meeting, the Budget Analyst noted that the Airport was seeking approval to extend the subject contract by up to four years without the benefit of performance measures which would assess the impact of the ShuttlePort/DAJA SFO Joint Venture on ground transportation services at the Airport. The Budget Analyst considered performance measures to be especially important given, in the professional judgment of the Budget Analyst, the unquantified, generalized, frequently vague, and often input-focused service descriptions contained in the ShuttlePort/DAJA SFO Joint Venture's proposal as to what services it would provide at the Airport.

In the professional judgment of the Budget Analyst, the value of some of the services provided under the subject contract is questionable. For example, according to the proposal dated May 14, 1999 from the ShuttlePort/DAJA SFO Joint Venture, which is incorporated into the subject contract by reference, some of the services to be provided by the ShuttlePort/DAJA SFO Joint Venture are as follows:

- "Greeting the drivers and passengers."
- "Answering any questions of the operator or patrons."
- "Escorting customers to the next available taxi for the desired destination."
- "Providing fare information."
- "Identifying credit card acceptance."
- "Approximating arrival time to the customer's destination."
- "Answering hotel and restaurant information requests."
- "Providing information about airport services for patrons."
- "Encouraging driver courtesy as ambassadors of goodwill."
- "Responding immediately to any confrontations between drivers and customers."
- "Making sure luggage is attended at all times and notifying police immediately of any violations."
- "Assuring that drivers handle luggage."

- "Assuring that drivers open vehicle door for passenger."
- "Encouraging pedestrians to use the crosswalks and proceed with caution."

A complete list of the services to be provided by the ShuttlePort/DAJA SFO Joint Venture is shown in Attachment III, which comprises pages 46-52, 55-56, and 60-68 of the May 14, 1999 ShuttlePort/DAJA SFO Joint Venture proposal incorporated by reference into the subject contract.

In response to the Budget Analyst's concerns, Mr. Wong states that the City's contract with the ShuttlePort/DAJA SFO Joint Venture has been amended to include the following 10 performance measures developed by the ShuttlePort/DAJA SFO Joint Venture for the second year of the contract. According to Mr. Wong, these performance measures would be reviewed periodically and changed as conditions warrant. The first five performance measures relate to ShuttlePort/DAJA SFO Joint Venture financial and staffing management and would not, therefore, directly measure the impact on the traveling public of the Airport Curbside Management Program services. However, the last five performance measures would directly measure the actual services provided to the traveling public.

<u>ShuttlePort/DAJA SFO Joint Venture financial and staffing management</u>

(1) Operate within the maximum budget approved by the Airport Commission, with budget evaluations prepared on a quarterly basis.[5]
(2) Reduce employee turnover in the door-to-door van, private scheduled transit, and limousine elements of the Airport Curbside Management Program by 10 percent from the current 50 percent to 40 percent.
(3) Reduce employee overtime due to absenteeism or unfilled positions to no more than 5 percent of payroll

[5] The ShuttlePort/DAJA SFO Joint Venture must submit quarterly budget reports in a format approved by the Airport.

expenditures for all classifications. According to Mr. Wong, the transportation industry average is 7 percent, and the ShuttlePort/DAJA SFO Joint Venture has experienced up to 9 percent employee overtime during the initial implementation phases of the Airport Curbside Management Program in FY 1999-2000.

(4) Reduce worker's compensation claim costs by achieving a goal of 1.7 lost time accidents per 100,000 paid employee hours. According to Mr. Wong, the current rate is approximately 1.8 lost time accidents per 100,000 paid employee hours. Therefore, a reduction to 1.7 lost time accidents per 100,000 paid employee hours would be an improvement of approximately 5.6 percent. This goal also includes the establishment of a Safety Committee.

(5) Staff all positions within 30 days of posting job announcements. In addition, ShuttlePort/DAJA SFO Joint Venture agrees to "actively seek to recruit, hire or promote a qualified female candidate into the management group by January 2001."

ShuttlePort/DAJA SFO Joint Venture services provided to the traveling public

(6) Investigate, report on, and respond in writing to all customer complaints within one week of receipt of such complaints.

(7) Ensure that taxicab dispatchers approach all patrons within one minute of accessing the taxicab loading zones, with taxicab service to be provided to patrons within 10 minutes.

(8) Ensure that door-to-door van curb coordinators approach all patrons within one minute of accessing the door-to-door van loading zones, with door-to-door van service to be provided to patrons within 15 minutes.

(9) Ensure that private scheduled transit monitors shall approach all patrons within one minute of accessing the terminal loading zones.[6]

---

[6] Mr. Wong notes that the Airport Curbside Management Program provides services to the Airport's private scheduled transit operators, not to public transit operators such as SamTrans which stop at different loading zones from those managed by the ShuttlePort/DAJA SFO Joint Venture.

(10) Ensure that limousine monitors shall approach all patrons waiting at the limousine loading zones within one minute of accessing such loading zones.

The Budget Analyst sought an explanation for (a) how performance measures 2, 3, 4, and 5 can be enforced, and (b) what penalties would be applied by the Airport under the contract if any of the above 10 performance measures are not met. In response, Mr. Martin states that in the Year Two contract, the Airport Director has the discretion not to renew the contract for Year Three if the performance standards are not met. In addition, the City can withhold payments until summary reports detailing the performance goals, either monthly or quarterly, are received. The contract specifically provides for a $500 per day penalty for failure to provide written reports as directed by Airport staff. Mr. Martin states that the Airport will meet regularly with the ShuttlePort/DAJA SFO Joint Venture to ensure that these and any additional performance measures considered for inclusion in subsequent contracts are met.

In addition to assessing the ShuttlePort/DAJA SFO Joint Venture's performance against the above 10 performance measures, Mr. Wong notes the following points:

- The Airport has the option not to exercise any of the three annual contract extension options which would remain should the ShuttlePort/DAJA SFO Joint Venture's performance be deemed inadequate against the above performance measures. However, as previously noted, once the Board of Supervisors approves the subject ordinance, the three annual contract extension options would <u>not</u> be subject to Board of Supervisors approval.
- The Airport also has the right, at its sole discretion, to terminate the subject contract for convenience at any time.
- The Program is funded through the fees paid by the Airport's ground transportation operators. Therefore, according to Mr. Wong, ground transportation operators have a strong vested interest in ensuring that the ShuttlePort/DAJA SFO Joint Venture actually improves the Airport's handling of ground

transportation services because the operators are the funders of the ShuttlePort/DAJA SFO Joint Venture's services. However, the Budget Analyst notes that it is the traveling public, as the customers of the ground transportation operators, who ultimately pay for the contract.

Contract Revisions: Since the initial Budget Analyst's report of September 27, 2000, the Airport has made substantive additions to the subject contract with the incorporation of (a) the above 10 performance measures, and (b) other amendments to increase the ShuttlePort/DAJA SFO Joint Venture's accountability. Attachment IV, provided by the Airport, contains a comprehensive list of all changes made to the contract, other than the performance measures discussed above.

Despite the significant contractual changes, Mr. Martin reports that Ms. Mara Rosales of the City Attorney's Office, who represents the Airport, has advised that the revised contract does not need to be approved by the Airport Commission because the Airport Commission's approval of the contract's term, scope, and costs have not been affected by any other changes made to the contract. The Airport Commission has delegated to the Airport Director the authority to negotiate the terms of the contract. This authority is limited by the financial terms (not to exceed $6,875,000) and the contract term (November 15, 2000 to November 14, 2001) prescribed by the Airport Commission. Many of the changes made in this contract modification are merely clarification of contract terms already contained in the contract. The imposition of measures to better monitor the contractor's performance fall within the authority granted to the Airport Director. Inasmuch as the modifications to the ShuttlePort/DAJA SFO Joint Venture contract do not affect the terms approved by the Airport Commission, no further approval by the Airport Commission is required. Nevertheless, Mr. Martin states that he has placed the revised contract on the Airport Commission's December 19, 2000 meeting agenda for its approval.

The Budget Analyst strongly recommends that the Board of Supervisors <u>not</u> approve the proposed amended

contract, which would authorize up to four one year extension options to the ShuttlePort/DAJA SFO Joint Venture contractor, unless the Airport Commission approves the new amended contract which incorporates the new performance measures and other amendments as referred to above at its December 19, 2000 meeting.

Comments:

1. In response to a question by the Budget Analyst concerning the authority under which the subject contract is currently operating, given the expiration of Year 1 of the contract on November 14, 2000, Mr. John Martin, Airport Director, states:

> "Pursuant to Section 2A.170 of the San Francisco Administrative Code, the [Airport] Commission has the authority to enter into all contracts, lease and other agreements that relate to matters under its jurisdiction. That contracting authority is limited by Section 9.118 of the San Francisco Charter that provides that contracts, or amendments to contracts, requiring anticipated expenditures of ten million dollars or more, require the approval of the Board of Supervisors. On August 29, 2000 the Airport Commission approved the exercise of the first of four annual renewal options for the ShuttlePort/DAJA contract, in an amount not to exceed $6.875 million. The combination of the initial year budget (up to $5.9 million) with the first year option (up to $6.875 million) exceeds the $10 million threshold for Board of Supervisors approval. However, to the extent that the [Airport] Commission has contracting authority of less than $10 million, and expenditures to ShuttlePort/DAJA to date are significantly below the $10 million trigger, the ShuttlePort/DAJA contract is currently operating pursuant to the August 29, 2000 approval by the [Airport] Commission, up to the $10 million limit."

2. The initial contract was awarded to the ShuttlePort/DAJA SFO Joint Venture after a Request for Proposals (RFP) process which is described in the attached memorandum from Mr. Wong (Attachment V). Mr. Wong states that there were three proposers:

- CDSNet, Inc. which submitted a proposal in the amount of $6,265,654 for Year 1, and $6,109,434 for Year 2.
- A joint venture of Polaris Research and Development, Inc. and TTMC/Quick ATM Inc. which submitted a proposal in the amount of $6,598,661 for Year 1, and $6,734,995 for Year 2.
- The ShuttlePort/DAJA SFO Joint Venture which submitted a proposal in the amount of $11,869,142 in Year 1, and $11,386,864 in Year 2.

The financial data required by the Airport from the three proposers did not request estimated costs for Years 3 through 5. According to Mr. Martin, the Airport did not consider such costs to be relevant because (a) the Airport planned to negotiate the contract budgets in advance, and (b) it was not known at that time whether the Airport Curbside Management Program would expand into computerized dispatching and ticketing (as provided for in the RFP).

Although the ShuttlePort/DAJA SFO Joint Venture's proposal contained the highest cost of the three proposals, at a cost of $5,603,488 or approximately 89.4 percent more in Year 1 and $5,277,430 or approximately 86.4 percent more in Year 2 than the lowest cost proposal from CDSNet, Inc., the Airport Commission awarded the contract to the ShuttlePort/DAJA SFO Joint Venture based on the evaluation of the three proposals. The in-house evaluation panel, with one member from outside the Airport, comprised (a) Mr. Marcus Perro, then Airport Chief Financial Officer, and currently Deputy Airport Director – Finance, (b) Mr. Tryg McCoy, Assistant Deputy Airport Director, (c) Mr. Ron Fang, Airport Americans with Disabilities Act Coordinator, (d) Ms. Alice Sgourakis, Airport Ground Transportation Manager, and (e) Ms. Shirley Carlson, Landside Operations, Sacramento International Airport. According to the score sheets of the Airport's five-member evaluation panel, the ShuttlePort/DAJA SFO Joint Venture proposal was consistently rated highest by four of the five reviewers who reviewed both the written proposals and oral

presentations prior to the Airport's consideration of the three proposals' costs[7].

3. The Budget Analyst notes that, whereas the original proposal submitted by the ShuttlePort/DAJA SFO Joint Venture was estimated by the ShuttlePort/DAJA SFO Joint Venture to cost $11,869,142 in Year 1, and $11,386,864 in Year 2, the ShuttlePort/DAJA SFO Joint Venture agreed to undertake the contract for a Year 1 budget of $5,889,100, which is $5,980,042 or approximately 50.4 percent less than the cost contained in the original proposal, and a Year 2 budget of $6,872,885, which is $4,513,979 or approximately 39.6 percent less than the cost contained in the original proposal. According to Mr. Martin, after authorization was given by the Airport Commission to conduct contract negotiations with the ShuttlePort/DAJA SFO Joint Venture, Airport staff successfully negotiated a reduction in the cost of Year 1 to $5,889,100. Mr. Martin states that many of the reductions were due to the fact that the ShuttlePort/DAJA SFO Joint Venture's original cost proposal included substantially more personnel than the minimum numbers set forth in the original RFP.

4. Mr. Wong states that no ground transportation activity can now occur in the Airport which is not controlled by the ShuttlePort/DAJA SFO Joint Venture. No legal ground transportation operator can provide services into or out of the Airport without paying a fee that covers the costs of the ShuttlePort/DAJA SFO Joint Venture contract. Based on information provided by the Airport, the Airport Curbside Management Program covers (a) 80 taxi companies, (b) 14 door-to-door van operators, (c) 778 limousine operators, and (d) 10 scheduled transit companies which have the requisite Airport Operating Permits. The Airport Curbside Management Program does <u>not</u> cover (a) seven pre-arranged transit operators, (b) 252 charter bus operators, and (c) 54 courtesy shuttles.

---

[7] According to Mr. Gary Wong of the HRC, at the time that this evaluation panel was convened, HRC guidelines did not permit evaluation panels to consider any questions about price or other monetary items. Following legal clarification, the decision whether or not to evaluate financial information is done on a case-by-case basis depending on what the responsible departments request.

5. According to Mr. Wong, the ShuttlePort/DAJA SFO Joint Venture proposal, as incorporated by reference into the subject contract, provides for the longer term expansion of the Airport Curbside Management Program to include the potential creation and staffing of passenger waiting lounges (as outlined on pages 53-54 of the May 14, 1999 ShuttlePort/DAJA SFO Joint Venture proposal) and Airport terminal ground transportation ticketing operations (as outlined on pages 57-59 of the May 14, 1999 ShuttlePort/DAJA SFO Joint Venture proposal). Mr. Martin states that it is still unknown whether the Airport will expand the Airport Curbside Management Program into computerized dispatching and ticketing, as provided for in the original RFP.

6. According to Mr. Wong and Mr. Martin, the $983,785, or approximately 16.7 percent, increase in the contract cost between Year One and Year Two (shown in the Table above) reflects the following changes:

- Staffing enhancements and pay raises, including the addition of 12 new positions at the new International Terminal, and pay raises to comply with the Minimum Compensation Ordinance, increased by $559,735. According to Mr. Wong, of this $559,735 increase, $42,640 is required to comply with the Minimum Compensation Ordinance while other pay raises are due to collective bargaining agreements.
- Employee benefits increased by $332,168.
- Equipment leases and purchases, and project costs reduced by $91,267.
- Service subcontracts increased by $25,500.
- Annual support services increased by $75,179.
- Under the terms of the contract, the fee amount increased by $82,470.

A break-down of the above figures is contained in Attachment VI. However, as noted in the "Amount" section above, the actual difference between Year 1 projected expenditures ($3,950,000) and the Year 2 budget ($6,872,885) is $2,922,885. This difference of $2,922,885 comprises (a) the $983,785 explained above, and (b) the Year One underexpenditure of $1,939,100 against the original budget, which reflects the

expenditure difference between the phased implementation of services in Year One and providing the full range of services anticipated for the entire Year Two period.

7. The proposed ordinance would authorize the Airport to provide up to a total of four additional one-year extension options. Since the first one-year extension option with the ShuttlePort/DAJA SFO Joint Venture would be effective November 15, 2000, the subject ordinance should be amended for retroactivity.

8. As previously noted, once the subject ordinance is approved, . the subsequent three one-year extension options would not be subject to separate future approval by the Board of Supervisors.

9. According to Mr. Wong, San Francisco International Airport is the first and, so far, the only airport in the United States to design and operate a program comparable to the proposed Airport Curbside Management Program. According to Mr. Wong, Atlanta, Los Angeles, and Phoenix are considering implementing comparable programs at their airports, but such programs have not yet been implemented at any United States airports.

10. As noted above, if approved, the total estimated amount of the City's contract with the ShuttlePort/DAJA SFO Joint Venture over a full five-year term would be at least $32,080,640 assuming that the projected Year 2 expenditure of $6,872,885 is repeated for Years 3 through 5.

Recommendations:

1. In accordance with Comment No. 8 above, amend the proposed ordinance for retroactivity.

2. Do not approve the proposed ordinance unless the Airport Commission approves a new amended contract which incorporates the new performance measures and other amendments made by the Airport's administration as noted in the above report at its December 19, 2000 meeting.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Irrespective of the Budget Analyst's first two recommendations, the Budget Analyst considers approval of the proposed ordinance, as amended, to be a policy matter for the Board of Supervisors because the following matters have not been fully explained to the Budget Analyst in a way which fully warrants an overall contract cost of at least $32,808,640:

(a) The Airport's full justification for this contract.
(b) The reliability and comprehensiveness of the new performance measures.
(c) The fact that the ShuttlePort/DAJA SFO Joint Venture's originally proposed costs were $5,603,488 or approximately 89.4 percent more in Year 1 and $5,277,430 or approximately 86.4 percent more in Year 2 than the lowest cost proposal submitted to the Airport.
(d) The fact that the ShuttlePort/DAJA SFO Joint Venture finally agreed to perform the subject contract for $5,980,042 or approximately 50.4 percent less than its original cost proposal for Year 1, and for $4,513,979 or approximately 39.6 percent less that its original cost proposal for Year 2.

Attachment I

Curbside Mngt Prog. Cost Allocation*:		FY 00/01
	Share of Trips	$5,889,000
Taxi	48.8%	$2,873,000
Limo	26.3%	$1,550,000
Sceduled Buses	4.3%	$253,000
On-Demand Vans	20.6%	$1,212,000
*Based on # of Trips	100.0%	$5,888,000

Attachment

San Francisco International Airport

Fax

PO Box 8097
San Francisco, CA 94128
www.flysfo.com

Date September 22, 2000	
No of Pages 1	
To Alan Gibson, Budget Analyst's Office	**From** Dan L. Wong, Senior Transportation Planner
Fax Number 415.252.0461	**Fax Number** 650.821.6508
Tel Number 415.554.7642 x233	**Tel Number** 650.821.6512

Comments

In regards to specific issues that led to the Airport to create the Curbside Management Program, they include but are not limited to:

1. Complaints from the taxicab drivers regarding the existing taxicab service. Specifically, they drivers wanted a more professional transportation company experienced in taxicab dispatching to conduct the operation rather than the Airport's current public parking operator.

2. Complaints from various door-to-door van operators regarding alleged dispatching irregularities.

3. Complaints from various door-to-door van operators regarding the apparent lack of consistant training of door-to-door van curb coordinators.

4. Complaints from the public as to both the quality of the information given by the various dispatchers and curb coordinators and their customer service demeanor.

5. Apparent lapses in service being provided by scheduled transit operators on their Airport-approved schedules.

6. The need to further improve the percentage of air passengers using ground transportation services to better manage increasing passenger volumes through the Airport.

7. The need to further improve efficiencies in the various ground transportation loading zones by expediting passenger pickups.

8. Increasing numbers of operators illegally soliciting passengers at or near ground transportation loading zones.

9. The need to provide quality and comprehensive ground transportation service during late night hours for our customers on delayed arriving flights.

SFO

San Francisco International Airport

Fax

P.O. Box 8097
San Francisco, CA 94128
www.flysfo.com

Date	
November 13, 2000	
No of Pages	
19	
To	**From**
Alan Gibson - Budget Analyst's Office	Dan L. Wong, Senior Transportation Planner
Fax Number	**Fax Number**
415.252.0461	650.821.6508
Tel Number	**Tel Number**
415.554.7642 x233	650.821.6512

Comments

Alan:

Per your telephone request this a.m., I am providing exerpts from ShuttlePort/DAJA's May 14, 1999 proposal identifying the various elements of the Curbside Management Program. Please note that the Airport has chosen at this time to only implement Phase I as there may be references to additional phases of the program.

As previously discussed with you over the telephone, the new contract documents will further specify the workscope as conditions have changed between the time the proposal was submitted and the present, as well agreed upon performance standards we have discussed in prior telephone calls.

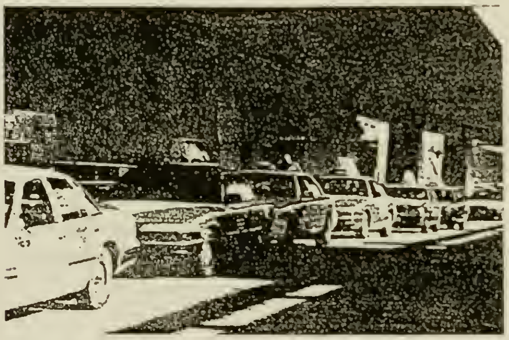
I hope this is helpful.

cc: Edwin Leung/Alice Sgourakis/Chron/File 15S
Melba Yee - Fax: 1.5051
Eddie Angeles - Fax: 1.5086
Peter Nardoza - Fax: 1.5005

TAXICAB DISPATCHING

Generally speaking, a good airport moves their passengers as quickly, conveniently, safely, and pleasantly as possible. Passengers have little patience for long lines at baggage claim, the ticket counter, or the taxi stand.

In our systematic approach to controlling the curb, we limit the number of vehicles at the curb. At first glance, this might seem counter to our stated goal of moving passengers. However, just loading taxicabs randomly off the entire curbside is not only chaotic, but also dangerous. Also, to keep order, taxi and limousine drivers are prohibited from soliciting, by either manner or speech.



Our common responsibilities are for dispatching taxicabs from an airport holding area to a feed line, if applicable, and curbside loading zones. Normally sufficient cabs are holding at the airport at most times during the day with a wait between fares varying on the level of deplaning passengers. Due in part to the reasonable fares to downtown, a high percentage of passengers use these vehicles. Thus, the goal is to make their availability to passengers as convenient as possible.

ShuttlePort/DAJA will place calls to companies for any anticipated or unanticipated shortage during peak periods. Our computerized database will identify the contact person and telephone number, service area, and respective fares of all taxi companies licensed to conduct passenger pick-ups at the airport.

Over time and through experience, we will be able to short list companies that can be most responsive for specific situations.

No double parking will be allowed. Our observations have witnessed the chaos at the taxi stands when curbs block and impede traffic by double parking. This practice is proven to only cause further delays during periods with long waiting lines.

No confrontations between customers and drivers will be tolerated. Within reason, ShuttlePort/DAJA believes in the old adage, "the customer is always right". We will never compromise safety considerations that would put any one at risk. However, we know our job is to accommodate the public and insure a positive experience. We strive to make each ShuttlePort location a model where both our peers in the industry and the public at large will acknowledge our reputation for first class operations that put the public first.

Our supervision will allow no refusal of passengers by drivers for short trips. We acknowledge the special accommodations given drivers assigned to short trips that allow the respective driver preferential placement upon an earlier return to the airport.

Fare information on all transportation companies will be in our data base and available to all personnel having direct contact with the public.

Our staff will encourage group taxi trips. ShuttlePort/DAJA and its affiliates promote shared rides and all transit modes of public conveyance that reduce the level of environmental quality by single occupancy vehicles. or in the case of taxi service. only one passenger per vehicle.

OUR APPROACH

Quality Assurance Guidelines

- Enforcing airport rules and regulations.
- Greeting the drivers and passengers.
- Having the operator staying with the taxi at all times.
- Communicating with the operator to provide minimum patron waiting times.
- Answering any questions of the operator or patrons.
- Escorting customers to the next available taxi for the desired destination.
- Providing fare information.
- Identifying credit card acceptance.
- Approximating arrival time to the customer's destination.
- Answering hotel and restaurant information requests.
- Providing information about airport services for patrons.
- Establishing proactive safety program.
- Enforcing vehicle and driver standards.
- Maintaining radio communications.
- Scheduling reliefs.
- Providing high level of supervision – one supervisor for each terminal.
- Supervising in the staging areas 24 hours a day.
- Maintaining proper queuing procedures – correct number of taxicabs at all times.
- Record keeping as required.

ShuttlePort/DAJA Value-Added

- Upgrading written procedures with airport sign-off.
- Encouraging driver courtesy as ambassadors of goodwill.
- Responding immediately to any confrontations between drivers and customers.
- Assuring compliance of curbside safety practices at all times.
- Providing special attention to frail, elderly , and physically challenged customers.
- Assisting in the supervision of small children and service animals.
- Providing bilingual assistance through designated personnel and the ATT language program.
- Making sure luggage is attended at all times and notifying police immediately of any violations.
- Assuring that drivers handle luggage.
- Assuring that drivers open vehicle door for passenger.
- Encouraging pedestrians to use the crosswalks and proceed with caution.
- Keeping the curbside free of obstacles and debris.
- Keeping traffic flow moving at all times.
- Patrol roadways 1 am to 6 am.
- Turning lost and found over to airport police.

INSPECTIONS

ShuttlePort/DAJA ongoing inspections will include monitoring the following taxicab driver requirements:

- A – Card
- Taxicab badge
- CA driver license
- Waybill
- Current taxicab pass
- Certification decal
- Valid taxicab medallion
- Street map
- Comment cards
- Photo ID
- CA vehicle registration
- Schedule of rates posted
- Receipts

TECHNICAL ASSISTANCE

Upon airport approval, inclusive of scope specifications, ShuttlePort/DAJA will conduct a comprehensive operational analysis of airport taxi operations. A final report will provide detailed recommendations to improve the safely, effectiveness and efficiency of the current policies and procedures. This special study could provide recommendations within 90 days.

Study Scope

The study scope will include specific recommendations to include but not limited to the following:

- Taxicab Flow Process
- Taxi Dispatcher Responsibilities
- Taxi Lot Procedures
- Reporting Violations Procedures
- Special needs, accessible taxi called up
- Vehicle standards and dress code

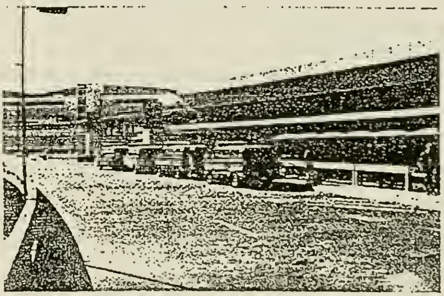
DOOR TO DOOR VAN COORDINATION

The newest and most innovative service, and the greatest challenge to the taxicab industry, as well as airport ground transportation management, is the advent of the shared-ride on-demand door-to-door van service. Numerous airports have had to increase enforcement and monitoring staff to keep up with the proliferation of services and vehicles, and have even required staff to be present at all times to referee competing operators and preclude or resolve any conflicts.

QUALITY ASSURANCE GUIDELINES

General Assignments

- Subcontracting with Super Shuttle for curbside personnel hosts in the Blue Zone.
- Subcontracting with Lorries for curbside personnel hosts in the Red Zone.
- Providing ShuttlePort/DAJA employees for curbside hosts in the Yellow Zone.
- Enforcing airport rules and regulations.
- Greeting the drivers and passengers.
- Having the operator staying with the van at all times.
- Communicating with the operator to provide minimum patron waiting times.
- Answering any questions of the operator or patrons.
- Escorting customers to the next available van to the desired destination.
- Providing fare information.
- Identifying credit card acceptance.
- Approximating departure time from the airport if any minimal delay is applicable.



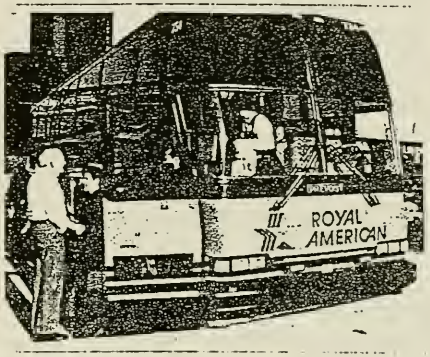
- Approximating arrival time to the customer's destination.
- Answering hotel and restaurant information requests.
- Providing information about airport services for patron.
- Establishing proactive safety program.
- Enforcing vehicle and driver standards.
- Maintaining radio communications.
- Scheduling reliefs.
- Providing high level of supervision – one supervisor for each terminal.
- Supervising in the staging areas 24 hours a day.
- Maintaining proper queuing procedures – correct number of vans.
- Maintaining zones with unbiased management.
- Record keeping inclusive of van, date, time, curbside arrival and departure times, and passenger counts.

ShuttlePort/DAJA Value-Added Services

- Upgrading written procedures with airport sign-off.
- Encouraging driver courtesy as ambassadors of goodwill.
- Responding immediately to any confrontations between drivers and customers.
- Assuring compliance of curbside safety practices at all times.
- Providing special attention to frail. elderly , and physically challenged customers.
- Assisting in the supervision of small children and service animals.
- Providing bilingual assistance through trained personnel and the ATT language program.
- Making sure luggage is attended at all times and notifying police immediately of any violations.
- Assuring that drivers handle luggage on to and off the van.
- Assuring that drivers open vehicle door for passenger.
- Encouraging pedestrians to use the crosswalks and proceed with caution.
- Keeping the curbside free of obstacles and debris.
- Keeping traffic flow moving at all times.
- Patrol roadways 1 am to 6 am.
- Turning lost and found over to airport police.

SCHEDULED BUS MONITORING

ShuttlePort/DAJA draws on ATC's 74 years of experience in the bus business. We provide both charter bus and city line bus service to airports across the country. In addition, we managed major special event airport logistics inclusive of World Cup Games, Olympic Games, Papal Visits, and Super Bowls. We have the proven procedures from our hands on experience moving tens of thousands of people including VIPs, Heads-of-States, the Dream Team, athletes, and visitors from around the world.



Buses, which require large areas of curb space, have become more prevalent with the advent of destination management. This is the planned arrival of large groups and conventions. Unfortunately, buses require a longer amount of time on the curb to load. Therefore, buses require an area that will not negatively affect other curbside loading activities. Our staff will monitor their operation for on-time performance, scheduled versus actual, inclusive of early arrivals or later than 10-minute departures, and passenger counts. This information will provide the airport performance measures with ongoing trend analysis.

QUALITY ASSURANCE GUIDELINES

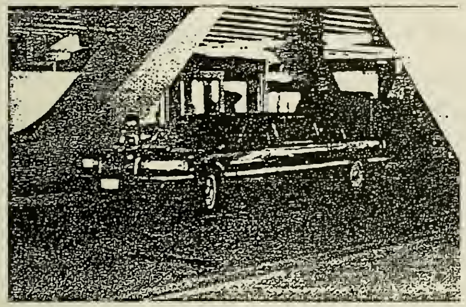
Basic General Assignment Rules

- Enforcing airport rules and regulations.
- Greeting the drivers and passengers.
- Having the operator staying with the bus at all times.
- Communicating with the operator to assist in on-time performance.
- Answering any questions of the operator or patrons.
- Escorting customers to the next available bus to the desired destination.
- Providing fare information.
- Identifying credit card acceptance.
- Approximating departure time from the airport if any minimal delay is applicable.
- Approximating arrival time to the customer's destination.
- Answering hotel and restaurant information requests.
- Providing information about airport services for patrons.
- Establishing proactive safety program.
- Enforcing vehicle and driver standards.
- Maintaining radio communications.
- Scheduling reliefs.
- Providing high level of supervision – one supervisor for each terminal.
- Supervising in the staging areas 24 hours a day.

ShuttlePort/DAJA Value-Added

- Upgrading written procedures with airport sign- off.
- Encouraging driver courtesy as ambassadors of goodwill.
- Responding immediately to any confrontations between drivers and customers.
- Assuring compliance of curbside safety practices at all times.
- Providing special attention to frail. elderly . and physically challenged customers.
- Assisting in the supervision of small children and service animals.
- Providing bilingual assistance through designated personnel and the ATT language program.
- Making sure luggage is attended at all times and notifying police immediately of any violations.
- Assuring that drivers handle luggage on to and off the bus.
- Checking for clean lavatories on over the road buses.
- Assuring that drivers open vehicle door for passenger.
- Encouraging pedestrians to use the crosswalks and proceed with caution.
- Keeping the curbside free of obstacles and debris.
- Keeping traffic flow moving at all times.
- Patrol roadways 1 am to 6 am.
- Lost and found turned over to airport police.

LIMOUSINE DISPATCHING



Our approach to develop, operate, staff and maintain computer-assisted limousine dispatching includes our firm, *intelitran*, to develop a system that is efficient and cost effective. The system will provide real time audit and tracking information access for airport officials. The system will have full redundancy to assure complete uninterrupted capability at all times. However, our *intelitran* experience has shown that costs can be significantly reduced if the system is allowed to be shut down for maintenance just a few minutes each day during a non-peak period.

ShuttlePort/DAJA proposes to use our software development company, *intelitran*, to develop minicomputer software for limousine dispatching. *intelitran* is responsible for 12 door-to-door computerized dispatching brokerages including Oakland.

SFO does not currently permit concession limousines to engage in demand walk-up service business. ShuttlePort/DAJA will prevent solicitation by another limousine company not appropriately assigned with full supervision of the staging area.

Phase I primary responsibilities are to call the respective limousines to the curbside as required while maintaining 8 stations and a staging area.

In Phase II each of the limousine staging areas and ground transportation areas loading areas are to be equipped with a computer terminal and printer to facilitate limousine dispatching. We will include backup units to ensure system reliability at all times. In brief, the limousine driver tells staging area of the specific pre-arranged trip and then the staging area calls appropriate curbside coordinator. When the passenger arrives at the loading area, the coordinator notifies the staging area, and in turn the correct limousine is dispatched.

Recordkeeping

ShuttlePort/DAJA will document each limousine arrival by:

- Company name.
- Charter party certificate number.
- License plate number.
- Date.
- Time.
- Name of the party to be picked up.
- Other information (special needs, wheel chair accessible).

QUALITY ASSURANCE GUIDELINES

Basic General Assignment Rules

- Identifying specific vehicles in the staging areas.
- Providing sufficient information to the limousine dispatcher in the designated holding area to dispatch limousine to the curb of the appropriate waiting area.
- Generating a paper receipt with name of company, charter party certificate number, and vehicle license plate number.
- Providing online remote interactive auditing and tracking functions.
- Providing a database of dispatching record with two-year history.
- Enforcing airport rules and regulations.
- Greeting the drivers and passengers.
- Having the operator staying with the limousine at all times.
- Answering any questions of the operator or patrons.
- Approximating arrival time to the customer's destination.
- Answering hotel and restaurant information requests.
- Providing information about airport services for patrons.
- Establishing proactive safety program.
- Enforcing vehicle and driver standards.
- Maintaining radio communications.
- Scheduling reliefs.
- Providing high level of supervision – one supervisor for each terminal.
- Supervising in the staging areas 24 hours a day.
- Maintaining proper queuing procedures – correct number of taxicabs at all times.
- Record keeping as required.

ShuttlePort/DAJA Value-Added

- Upgrading written procedures with airport sign-off.
- Encouraging driver courtesy as ambassadors of goodwill.
- Responding immediately to any confrontations between drivers and customers.
- Assuring compliance of curbside safety practices at all times.
- Providing special attention to frail, elderly, and physically challenged customers.
- Assisting in the supervision of small children and service animals.
- Providing bilingual assistance through designated personnel and the ATT language program.
- Making sure luggage is attended at all times and notifying police immediately of any violations.
- Assuring that drivers handle luggage.
- Assuring that drivers open vehicle door for passenger.
- Encouraging pedestrians to use the crosswalks and proceed with caution.
- Keeping the curbside free of obstacles and debris.
- Keeping traffic flow moving at all times.
- Patrol roadways 1 am to 6 am.
- Turning lost and found over to airport police.

EMPLOYEE APPROACH

OVERVIEW

We invest in our employees.

Standard methods for recruiting and selecting personnel help provide a consistent level of quality. The existence and proper maintenance of a formal evaluation directly related to job responsibilities and subsequent goals and objectives serve as a well-defined basis for measurement of performance. This process forms the basis for salary increases and promotions. The personnel review is designed not only to review specific practices. It is also to determine the general environment of the organization and procedures and to train and positively improve each staff person.

Procedures are necessary to ensure consistency and relevance of training programs and to ensure that all employees have the opportunity to improve their performance and advance in the organization.

Supervisors conduct informal ongoing evaluations to give opinions to employees regarding their performance. Goals and objectives' reviews are recommended for frequent evaluation. New supervisors are trained how to evaluate staff and give appropriate opinions as part of their orientation shortly after they accept their position.

The Project Manager takes the lead for employee actions. A form is used for these actions. Records are filed exclusively under lock in Administration. Appropriate follow up depends on the specific infraction. Drug abuse related infractions require periodic testing. Referrals to counseling require following up.

Should the service be awarded to ShuttlePort/DAJA, sufficient and well-qualified personnel are to be selected. hired and trained. All personnel will be fully trained and qualified to provide all services outlined in the RFP.

ShuttlePort/DAJA is genuinely interested in developing employees' skills, and broadening their background.

PERSONNEL HIRING GUIDELINES

Hiring Procedures

We are committed to hiring the best-qualified applicants for positions within the company and providing the resources to its employees to maintain and improve their qualifications. Most of the positions within the transportation field are both safety sensitive and public trust positions that require a high degree of understanding of people with disabilities. We recognize that these positions require individuals who have a true service orientation. sensitivity of persons who are physically or mentally impaired high integrity, safety consciousness. and a good work ethic. We invest in our employees and have worked diligently to develop programs and have future plans to implement more programs to attract and keep the very best employees available.

In addition to attracting highly qualified people. ShuttlePort/DAJA is committed to working within the community to aid its citizens and to work with organizations in helping individuals within the community become productive citizens. ShuttlePort/DAJA has a training program that can take unskilled and under-skilled individuals and help them develop the necessary tools to have a meaningful and rewarding career working with customers.

We will provide more than a good faith effort in matching the availability of women and minorities in the City. County and Bay area. By working directly with community outreach, government and non-profit agencies as well as targeted population newspaper and radio media. our record of accomplishment in the industry is award winning.

The human resource team consists of experienced human resource professionals familiar with state and federal employment laws and successful human resources/payroll practices. The staff strives to treat employees as their customers and to provide a comprehensive program that addresses both the employees' and employers' needs.

The basis of this comprehensive program is a thorough job description for each position. The description includes essential job functions and qualifications (education. experience. additional knowledge. abilities and skills). Accurate job descriptions are vital to ensuring compliance with legal requirements with the Fair Labor Standards Act (FLSA), Civil Rights Act. American with Disabilities. etc.

ShuttlePort/DAJA is an equal opportunity employer.

Hiring Process

Current and accurate job descriptions are the center of a successful recruitment program. ShuttlePort/DAJA has a policy of posting all vacancies and filling vacancies from internal applicants whenever there are qualified employees. External ads and contacts with outside organizations may also occur concurrent with the posting if there is a possibility that a qualified applicant cannot be found within the company. Both internal and external job announcements are created from the job description to ensure that the proper essential functions and qualifications are sought each time the job opens.

ShuttlePort/DAJA is an equal opportunity employer. All external advertisements and job announcements include the words, "An Equal Opportunity/Affirmative Action Employer".

ShuttlePort/DAJA has in place personnel policies and procedures to be used in recruiting. hiring, and training all necessary personnel. The selection of competent, conscientious personnel is vital to our goal of achieving the best possible match between applicants for jobs and the requirements of the job descriptions. Each applicant shall pass a drug screen and no felony convictions. Once selected for an available position. the best possible orientation and training program will be provided to equip the applicant for responsibilities with the organization.

ShuttlePort/DAJA's goal is to hire the best-qualified available candidates for all positions. Specific procedures for hiring new employees have been developed and will be utilized. This is an important area of management concern. since workers and staff form the basic foundation of each operation. Also. many hiring practices and policies are mandated or regulated by various government agencies.

Minimum qualifications must be job related and comply with the standards established by EEO guidelines. as well as by state and local rules. Additionally. the following information must be obtained and verified from each applicant:

- Current position. actual responsibilities and length of service:
- Last three previous positions and duties and responsibilities of each:
- Brief description of entire career and reasons for any gaps in employment:
- Reasons for leaving current employment position:
- Reasons for wanting to join this company. including the applicant's knowledge of our operation:
- Criminal records check.

When all information has been verified and the interview is complete. the employee will be scheduled for a physical and a drug/alcohol-screening test. Employment is contingent upon successful completion of all requirements.

ShuttlePort/DAJA's employee selection procedures and standards are intended to seek candidates well suited and capable of performing the requirements of the positions. The success of ShuttlePort/DAJA will be greatly determined by hiring decisions made at all levels today.

Managers and others with hiring authority will give proper consideration to such factors as education. experience. skills. advancement potential and character. However. all aspects of the selection and hiring process will be administered without regard to race. color. national origin. religion. sex. age or disabled status.

Minimum Standards

ShuttlePort/DAJA has the following minimum standards for employment:

- Applicants must not be users of. or addicted to any legally controlled drugs or substances or alcohol.
- Applicants should have at least a high school diploma or equivalency for most categories of employment. Employees who do not meet this requirement will be encouraged to achieve it. ShuttlePort/DAJA proposes to establish a GRE program onsite coordinated with the local school system and airport officials.
- Applicants convicted of felonies may not be hired. Employee selection managers should remember that it is illegal to ask any applicant whether he or she has ever been arrested. questioned, detained or otherwise in police custody. The company does have the right to fully explore and consider conviction records.
- Applicants must be legal U.S. residents or possess acceptable alien resident status. Proof of status should be accomplished during the application screening process.

Drug-Free Workplace

Drug and/or alcohol screens are conducted to ensure a drug-free workplace. Testing includes pre-employment, reasonable cause, periodic, random, return to duty, and follow up. All supervisors and managers have been trained on their responsibilities in this area. New supervisors also receive training, and refresher training is provided on a regular basis.

Drug and/or alcohol screens are conducted to ensure a drug-free workplace.

Cost-effective contracts will be in place for collection, testing and medical review. An Anti-Drug Policy will be in place to ensure that our commitment to a drug-free workplace is maintained. Employee assistance will be provided to any employee who voluntarily comes forward with a substance abuse problem prior to selection for drug testing.

Affirmative Action/Equal Employment Opportunity/ADA

ShuttlePort/DAJA policy is to afford equal opportunity in all employment decisions to all individuals regardless of race, color, religion, sex, national origin, age, marital or veteran status and disabilities which do not affect the applicant's ability to perform the essential duties of the job. Therefore, ShuttlePort/DAJA will take any and all necessary actions to ensure that this policy is followed.

TRAINING PLAN

We have long recognized that proper hiring, training, and continuous maintenance of skills is one of the most important elements of delivery of transportation. As a service provider to the public, ShuttlePort/DAJA recognizes that the perception of the quality of that service is very often determined at the point of delivery. Patrons can be won or lost forever, with the determining factor often being the ability to select the right people for the job and to provide them with the training required to ensure that each curbside experience is a pleasant one for the passengers.

Hiring and Training – Two of the most important elements in the delivery of ground transportation management.

We always attempted to commit a substantial portion of its resources to the selection, hiring, and training of our employees. Although it may cost a little more on the front end, it is cost effective through increased customer satisfaction and reduced personnel turnover and accidents.

Our selection process requires a careful screening of each application. The end objective of the initial screening is to match known needs to a pool of unknown applicants.

Once the screening of applications is complete, we will test and interview those candidates that appear to come closest to our needs. The process includes the use of written tests, and structured interviews. Written confirmation of previous employment will be obtained for the applicants that appears to be potential candidates for employment as well as a criminal background investigation.

The final step in the selection process is a complete physical examination including a drug screen. The objective is to ensure that all applicants are physically capable of performing the work for which they are hired and are free from the effects of drug usage. Applicants able to pass these requirements may be offered employment: however, all employment offers are contingent upon the satisfactory return of written confirmations of past employment. A newly hired employee is on probation for the first 90 days of employment.

With the support of our corporate training department, each transit location can develop a training program that is specific to the needs of the local operation. The airport shall review the ShuttlePort/DAJA training program for approval before implementation. The training supervisor may utilize our corporate library of over 125 videos on all aspects of employee training and will also benefit from the experiences and shared insights learned at our other locations.

Annual in service training will be required inclusive of updating employee handbooks and providing full familiarization. ShuttlePort/DAJA will work closely with airport officials and commercial carriers during the development of materials. The airport shall sign off on the program prior to implementation.

Program Guidelines

All of our training programs currently being utilized emphasize the following areas:

- Company policies, rules and benefits
- Human and passenger relations
- Curbside and staging area procedures
- Accounting and internal controls
- Use of two-way radio
- Fare policies
- Wheelchair lift procedures
- Stress management
- Operating rules and procedures
- Operating procedures for each mode
- Working knowledge of equipment
- Driver and vehicle inspection
- Accident and safety procedures
- Emergency procedures
- Sensitivity training
- First aid/CPR training
- ADA and elderly riders
- Forms and published materials
- Safety
- Organizational information
- Airport Rules and Regulations
- Introduction to airport passenger services
- Diversity Training

Classroom Outline

ShuttlePort/DAJA provides training material to all trainees prior to classes.

Orientation And Welcome
- Acquaint with aims of ground transportation management system
- Motivate pride in being a ShuttlePort employee

Information On Training
- Personnel policies
- Pay and benefits while training
- Reporting for training
- Responsibilities and duties

- Wheelchairs
- Assistance

- Special needs videos
  - Transporting the physically, mentally and emotionally handicapped
  - Epilepsy
  - Autism

First Aid and CPR Training

Sexual Harassment Training

Customer Service

- Training on Disney Quality Service
- Establish unique problems and how to overcome
- Establish golden rules
- Review environment
- Review empowerment of staff
- Establish Customer Service monitoring systems

Vehicle Monitoring Training

- The vehicle airport regulations
- Baggage assistance
- Passenger ingress and egress
- Wheelchair loading and unloading
- Wheelchair locks

Field Exercises

- Simulate blind
- Simulate wheelchair user
- Simulate walkers and crutches
- Emergency procedures
- Mechanical procedures

- Uniform requirements
- Other benefits or coverage – worker's compensation

Accidents – Incidents
- Safety
  - Know the hazard
  - Understand the defense
  - Act in time
- Reporting an accident
  - Injured – names, ages, apparent injuries
  - Where removed to, how removed
  - Investigated by what agency(s)
  - Verbatim statements made by other party
  - Names and addresses of witnesses
- Hazards at scene
  - Avoiding further injuries to injured
  - Other traffic
  - Location of vehicles in street – warning
  - Fuel leaking – fire
  - False claims of injury
- Procedure at scene of accident
  - Remain calm
  - Take care of injured
  - Secure required information
  - Notify supervisor – how serious – help needed
- Reasons for complete and accurate report
  - Claim may be filed
  - Need to decide preventability
  - Secure required information
  - Contributing factors – weather, road, mechanical
  - Analysis to assist in future avoidance
- Importance of witnesses
  - Help determine facts
  - Help to determine cause
  - Help to determine possible negligence
  - Help to determine contributing factors

Drill On Filling Out Accident And Incident Report Forms

Diversity Training
- Work Place
- General Public

Sensitivity Training
- Elderly – their issues and concerns and transportation
  - Vision
  - Directions
- Mental impairment – discuss types and degrees of impairment
  - Vision
  - Mobility

Overview Of Training – Indoctrination

- Airport facilities
- Safety
- Customer relations
- Operating procedures

Company Policies And Rules

- Reporting for work
    - Where and how to report
    - Assignments
    - Late report
    - Sickness or emergency
    - Discipline
- General appearance
- Dress code, uniform requirements
- Policy on hair, sideburns, mustaches, beards
- Personal conduct
- Employee tools required – accurate watch, pencil/pen, time sheet, name tag
- Intra-company communications/bulletins

Human Relations – Overview

- Understanding of self
- Stress management
- Communication
- Courtesy
- Handling complaints
    - Passengers
    - Others
- Giving information
- Introduction to airport passenger services
- Unruly or rowdy driver, patron, passenger, crowd
- Handling the ill person, elderly, handicapped

Personnel Benefits

- Wage structure – straight and overtime rates
- Paydays – what days, hours and where
- Hospitalization insurance
    - Group insurance coverage
    - Eligibility and limitations
    - When and how to file claim
- Life insurance – coverage and limitations
- Retirement benefits
    - Contributory, non-contributory
    - How benefits are determined
    - 401-k
- Credit union
    - Eligibility
    - Payroll deduction

Indoctrination

- Tour of airport facilities
- Curbside and staging area
- Company facilities

Operation Policies And Procedures

- Airport rules and regulations
- General assignments
- Radio communications
- Working knowledge of equipment
- Curbside assignments for all groups
- Staging area assignments for all groups
- Housekeeping
- Airport patron and driver disturbances
- Fare information
- Community information
- Lost and found articles
- General safety
- Public statements
- Forms and published materials
- Accounting and internal controls
- Fiduciary responsibilities
- Cash and other controlled documents
- Secured and limited access areas
- Robbery procedures
- Office break in
- Ticket stock procedures and accountability
- Daily reports & audit procedures
- Key control
- Daily activity reports
- Emergency procedures
- Uniforms

Written test

The differences between the Year #1 contract and Year #2 contract modification are as follows:

1. The term of the Agreement was extended one (1) year to end on November 14, 2001. Up to three (3) additional one-year options are available at the discretion of the Airport Director. For additional information, please refer to the proposed changes in Section 2 – Term of the Agreement.

2. Reports on those performance standards as set forth in Appendix G – Performance Standards are to be included monthly or quarterly with the monthly invoice. Failure to submit may result in non-payment of the invoice or other contractual penalty until said reports are submitted. Contractor must submit any other reports requested by the Airport within one (1) week from date of request.

   For additional information, please refer to the proposed changes in Section 4 – Services Contractor Agrees to Perform.

3. The total amount of the contract (Year #1 and Year #2) shall not exceed a total of $12,761,985.

   The Year #2 budget is specified in Appendix B – Calculation of Charges. Compensation to Contractor shall conform with the terms of the Agreement, be necessary in order to accomplish the goals and objectives of the Curbside Management Program, be reasonable cost-wise as determined by the Airport Director, and be actual net costs less any refunds, rebates, etc.

   Miscellaneous purchases over $100 require the advance approval of the Airport Director or his designee prior to purchase.

   Gifts for employee-recognition programs require the advance approval of the Airport Director or his designee, however no gifts shall exceed $100 per recipient.

   The Airport also expressly retains ownership of any goods and services upon termination of the Agreement.

   Annual Support Services costs shall not exceed that specified in Appendix B. Support for Annual Support Services expenditures shall now be included in the monthly invoice for review and payment. For Year #1, Contractor shall have 30 days upon approval of the Year #2 contract to supply support documentation for Annual Support Services expenditures in Year #1. A credit from Contractor will be due the City if Contractor does not provide support documentation or if Contractor did not fully spend the amounts estimated for Annual Support Services.

   For additional information, please refer to the changes in Section 5 – Compensation.

4. Contractor shall provide thorough documentation for salaries and benefits paid to management personnel in addition to those of all other personnel as stated in the Year #1 contract. Said information is to be due by the 20th of the month for the prior month. For additional information, please refer to Section 7 – Payment, Invoice Format.

5. Section 7 – Personnel includes a reiteration of what was included in the March 12, 1999 Curbside Management Program RFP. For additional information, please refer to the changes in Section 7 – Personnel.

6. The address for all invoice payments was changed to National ShuttlePost, LLC, 33620 Treasury Services, Chicago, IL 60694-3600. For additional information, please refer to the changes in Section 25 – Notices to the Parties.

7. Contractor shall give a credit to City (Airport) or payment within one (1) month or the next scheduled invoice whichever comes first after an overpayment has been discovered resulting from an audit. For additional information, please refer to the changes in Section 28 – Audit and Inspection of Records.

8. Clarifies that City holds title to all office furnishings and equipment purchased by Contractor and reimbursed for said purchase by City. Contractor shall provide Airport Director with an inventory of such office furnishings and equipment within thirty (30) days after the Year #2 contract is effective. For additional details, please refer to the changes in Section 51c – Office Space and Furnishings.

9. The City's standard contractual language for the Minimum Compensation Ordinance was added as Section 54 – Minimum Compensation Ordinance.

10. The City's standard contractual language for Earned Income Credit (EIC) forms was added as Section 55 – Earned Income Credit Forms.

11. Appendix A – Description of Services was replaced with a reiteration of the language contained in the March 12, 1999 Curbside Management Program RFP.

12. Appendix B – Calculation of Charges was replaced with the Year #2 budget.

13. Appendix C – Loading Zone Monitor Procedures, Appendix D – Taxicab Dispatcher Procedures, Appendix E – Door-to-Door Van Curb Coordination Procedures, and Appendix F – Employee and Subcontractor Training Program provided as required in the Year #1 contract are now a formal part of the Year #2 contract.

14. The Contractor's performance standards, as well as reporting requirements and penalties for not submitting progress reports are set forth in Appendix G – Performance Standards.

J:\DWONG1\121415S.DW1
Revised: 14-Dec-00

San Francisco International Airport

Fax

P.O. Box 8097
San Francisco, CA 94128
www.flysfo.com

Date	
September 18, 2000	
No of Pages	
1	
To	**From**
Alan Gibson, Budget Analyst's Office	Dan L. Wong, Senior Transportation Planner
Fax Number	**Fax Number**
415.252.0461	650.821.6508
Tel Number	**Tel Number**
415.554.7642 x233	650.821.6512

Comments

The following is a brief synopsis of the history of the Curbside Management Program selection process. If you need additional information, please contact me.

September & October 1998 - Met with the Airport's ground transportation operators to develop a multi-stage deployment of a comprehensive curbside management program encompassing door-to-door vans, limousines, scheduled transit and taxicab operations. The original concept was recommended by an Airport ground transportation consultant.

December 1998 - Airport Commission approved Resolution #98-0321 authorizing the Airport to issue an RFP for a contractor to operate the Airport's Curbside Management Program.

March 12, 1999 - Airport staff issued the RFP.

April 7, 1999 - Pre-Proposal Conference conducted.

May 14, 1999 - 3 proposals were submitted by the due date (i.e., CDSNet, Inc., Polaris/TTMC Joint Venture, and ShuttlePort/DAJA Joint Venture).

June 7, 1999 - Review panel conducted oral interview panels after reviewing the written submittals of all three proposers. Scores submitted to HRC for MBE/WBE rating discounts.

June 25, 1999 - HRC submitted to Airport final scores including MBE/WBE rating discounts. ShuttlePort/DAJA was the highest scorer with a cumulative score of 92.2 out of 100.

July 13, 1999 - Airport Commission approved Resolution #99-0233 authorizing the Airport Director to negotiate a contract with ShuttlePort/DAJA to operate the Airport's Curbside Management Program.

September 21, 1999 - Airport Commission approved Resolution #99-0333 to issue a contract to operate the Airport's Curbside Management Program to ShuttlePort/DAJA.

November 1, 1999 - Civil Service Commission approved said contract in Notice of Action for Contract #4079-99/00.

November 15, 1999 - Contract with ShuttlePort/DAJA became effective for one year with up to four additional one-year options.

cc: Edwin Leung/Alice Sgourakis/Ilze Rozenbergs/Chron/File 15S
Peter Nardoza/Eddie Angeles

ShuttlePort/DAJA/SFO
San Francisco International Airport
P.O. Box 250489
San Francisco, CA 94125-0489
(650) 821-2701
Fax (650) 821-2703

To: Dan Wong

From: Daniel Bartz

Date: September 19, 2000

Re: Budget Increase Analysis

As requested, I have put together a page-by-page analysis of all budget increases from year one of the contract to year two. If you have any questions on these items, please call.

Page 1 Management Staffing:

HR/Training Director changed to Assistant GM,	$22,100
Staff Salary Increases (2%)	$ 6,650

Page 2 Operations Staffing:

Curbside Managers

1. Added one position to maintain 24 hour coverage	$45,510
2. Salary increases	$5,463

Taxi Supervisors

1. Added two positions to cover new IT 10 hours daily	$68,457
2. Wage increases	$21,353

Taxi Dispatchers

1. Added 7 positions for personnel not covered in original budget – Non-SF and Delta	$208,615
2. Added 4 positions for new IT coverage	$119,208
3. Wage increases	$24,440

Limo/Van Loading Zone Supervisors

1. Wage increases	$12,730

Limo & Loading Zone Monitors

1. Reduction of hours for new IT	($17,432)
2. Wage increases to meet Living Wage requirements	$42,640

Page 3 Management Benefits:

1. Health insurance increase 5%	$1,841
2. Other benefits increase	$3,435

Page 4 Operations Benefits:

1. Taxi Dispatch

a. Health insurance increase 5%	$31,925
b. Retirement plan increase	$26,312
c. Workers' Comp insurance – 7.3% rate	$92,927
d. Other – FICA, FUTA, SUTA	$31,711

2. Taxi Supervisors

a. Health insurance increase 5%	$14,421
b. Retirement plan increase	$4,784
c. Workers' Comp Insurance – 7.3% rate	$16,824
d. Other – FICA, FUTA, SUTA	$7,737

Page 5 Operations Benefits:

1. Limo/Van Loading Zone Monitors

a. Health insurance - increase 67% (higher cost than original budget	$26,220
b. Other – FICA, FUTA, SUTA	$1,511

2. Limo/Van Loading Zone Supervisors

a. Health insurance – increase 67% (higher cost than original budget	$7,491
b. Other – FICA, FUTA, SUTA	$1,140

Page 6 Operations Benefits – Curbside Managers:

1. Health insurance – 5% increase	$7,364
2. Other – FICA, FUTA, SUTA	$6,524

Page 12 Equipment Lease/Purchase

Decrease from year one	($50,522)

Page 13 Other Project Costs:

Decrease from year one	($40,745)

Page 14 Pricing Summary:

1. Subcontracts to Supershuttle & Lorries – 3% increase	$25,500
2. Annual Support Services – same 9.1% as year one	$75,179
3. Profit – same 9.15% as year one	$82,470

Item 11 – File 00-1895

Note: This item was continued by the Finance and Labor Committee at its meeting of November 29, 2000 to allow the Department of the Environment to submit a revised proposal for expenditure of reserved funds.

Department: Department of Environment

Item: Hearing to request release of reserved Hetch Hetchy funds in the amount of $146,244 to be used by the Department of Environment to enter into a professional services contract ($66,244), and to be work-ordered to the Laguna Honda Hospital Replacement Project and the California Academy of Sciences Project for energy modeling work ($80,000).

Amount: $146,244

Source of Funds: Hetch Hetchy operating funds identified as savings and reserved by the Board of Supervisors in the Fiscal Year 2000-2001 Hetch Hetchy budget.

Description: In 1999, Hetch Hetchy reorganized and eliminated its Bureau of Energy Conservation, an in-house bureau responsible for projects to increase energy efficiency throughout City and County of San Francisco facilities. While Hetch Hetchy continues to oversee energy conservation programs for existing City facilities, the responsibility for energy efficiency for new City construction projects has been shifted to the Department of the Environment. The Resource Efficiency Building (REB) Ordinance that was approved by the Board of Supervisors in May of 1999 (File Nos. 99-0443 and 99-0444) requires the Department of Environment to develop guidelines for the design and construction of new City facilities which are to be energy efficient. Prior to Hetch Hetchy's reorganization, the Bureau of Energy Conservation had been providing significant support towards implementing the REB ordinance.

During the Finance and Labor Committee's annual budget review in June of 2000, the Committee placed $146,244 of the proposed FY 2000–2001 Hetch Hetchy

budget on reserve which was also approved by the full Board of Supervisors. The purpose of the reserve was to fund the Department of Environment's estimated expenditure of $146,244 to hire two Senior Energy Specialists.

Since that time, the Department of Environment has revised its plans, and now proposes to enter into a personal services contract to support various REB projects, and to work order funds to Laguna Honda Hospital and the California Academy of Sciences for energy modeling work. The Department of Environment's revised proposal is explained in the Attachment to this report, provided by the Department.

This request would release the previously reserved $146,244 in Hetch Hetchy funds, allowing the Department of Environment to fund a personal services contract to support various REB projects, and to work order funds to the Laguna Honda Hospital Replacement Project and the California Academy of Sciences Project for energy modeling.

Budget: A summary budget for the requested $146,244 release of reserved funds is as follows:

Item	Hours/Rate	Total
Professional Service Contract		
-Designing and implementing energy conservation programs	100 hours @ $100/hour	$10,000
-Contributing to various REB projects	562 hours @ $100/hour	56,244
Work Orders for Energy Modeling		
-Laguna Honda Hospital	600 hours @ $100/hour	60,000
-California Academy	200 hours @ $100/hour	20,000
Total		$146,244

Comments: 1. Mr. Cal Broomhead of the Department of Environment states that the professional services contract would be primarily to assist the Department in providing energy conservation consultation to each of 10 REB pilot projects, each of which is a new construction, or renovation of an

existing structure. According to Mr. Broomhead, those projects include construction and/or renovation of: Laguna Honda Hospital, the California Academy of Sciences, the Golden Gate Park Concourse Authority Parking Garage, the proposed Muni maintenance facility at Islais Creek, the New Mission Park Clubhouse, Visitacion Valley Recreation Center, a new City administration building at 525 Golden Gate, the Golden Gate Park West End Pavilion, the Moscone Convention Center West, and the Department of Environment building at 11 Grove Street. Additionally, the proposed personal services contract would include other design and implementation of energy conservation programs as necessary, as outlined in the REB, according to Mr. Broomhead.

According to Mr. Broomhead, the Department would award the proposed professional services contract through a Request for Proposal process, to be conducted following approval of the proposed release of reserved funds by the Board of Supervisors, with a contract to be awarded as soon as possible thereafter.

2. Mr. Broomhead states that the proposed work orders to the Laguna Honda Hospital Replacement Project ($60,000) and the California Academy of Sciences ($20,000) would enable current contractors on those projects to either expand the scope of their current contracts, or sub-contract, to include energy modeling work. According to Mr. Broomhead, energy modeling consists of the development of a mathematical model that accurately estimates the energy performance of structures. Mr. Broomhead states that these models may then be altered to determine the energy efficiency of various design options, assisting designers in making energy efficient design decisions.

3. According to Mr. Broomhead, the Department is presently working with contractors currently working on the Laguna Honda Hospital and California Academy of Sciences projects to develop a scope of work, schedule, and budget details. Mr. Broomhead states that, once those elements have been defined to the satisfaction of the Department, the Department of Environment would work order the subject reserved funds for the purpose of

expanding the scope of current contracts on the Laguna Honda Hospital Replacement Project and the California Academy of Science Project to include energy modeling, or enabling those projects to sub-contract for energy modeling services. The existing project contracts would be expanded in scope, or sub-contractors would be sought following approval of the proposed release of reserved funds by the Board of Supervisors, according to Mr. Broomhead.

4. Mr. Broomhead states that the Department based its budget for all work on a rate of $100 per hour because $100 is the approximate average of current rate estimates provided to the Department of Environment by energy consultants.

5. Because the Department of the Environment has not conducted a competitive selection process for the $66,244 in professional services or the $80,000 work order to the Laguna Honda Replacement Project and the California Academy of Science Project, the Budget Analyst recommends that the $146,544 Hetch Hetchy funds remain on reserve until the Department can provide the Board of Supervisors with contractor details including the number of hours and hourly rates.

Recommendation: Continue to reserve the $146,244 in Hetch Hetchy funds designated for the Department of Environment pending selection of professional service contractors.

DEPARTMENT OF THE ENVIRONMENT
CITY AND COUNTY OF SAN FRANCISCO
FRANCESCA VIETOR, DIRECTOR

PROPOSAL FOR RELEASE OF FUNDS ON RESERVE FOR ENERGY CONSERVATION

Background: The Board of Supervisors has put $146,244 of funding for the Department of the Environment on reserve for the purpose of energy conservation. Originally, these funds, which were work ordered from Hetch Hetchy for Energy Conservation, were to be released for the purpose of hiring two civil service employees to work in the Department of the Environment on energy issues. These two positions were intended to replace the services lost by the termination of the Bureau of Energy Conservation at Hetch Hetchy Water and Power. However, since these funds are only available this fiscal year, it is not realistic to hire two civil service postions given the short-term nature of the positions. Based on preliminary conversations with Supervisor Ammiano's office, we are requesting that these funds be used for a professional services contract and energy modeling design work to support the pilot projects for the Resource Efficient Building Program (REB) by City departments.

Proposed Allocation of Funds: The professional services contract will be competitively-bid, would be in the amount of $66,244, and managed by the Resource Efficiency and Energy Conservation Manager, class 1888. The professional services contract would run for approximately one year and perform the following tasks:

- Working with the 10 pilot projects selected under the guidelines of the Resource Efficient Building Ordinance on energy conservation programs for each of these projects ($56,244)
- Designing, implementing and promoting the energy conservation programs outlined in the Resource Efficient Building Ordinance ($10,000)

The remaining $80,000 will be work ordered to two specific REB Pilot Projects for the purpose of energy modeling. The Laguna Honda Hospital project will cost $60,000 and the California Academy project will cost $20,000. The energy modeling will be performed by contractors. All work performed under the professional services contract and work order will be based on an hourly rate of $100 per hour.

Item 12 -- File 00-2015

Department: Department of Human Resources (HRD)

Item: Ordinance implementing Amendment No. 2 to the 1997-2001 Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local Union No. 6, and the City, by appending a list of past practices pursuant to Article VI.C. of the Memorandum of Understanding.

Description: In 1997 the Board of Supervisors approved a Memorandum of Understanding (MOU) with the International Brotherhood of Electrical Workers, Local No. 6, ("Local No. 6") for the four-year period from July 1, 1997 through June 31, 2001. The proposed ordinance would amend this existing MOU between the City and Local No. 6 to include past practices as agreed to by both parties. According to Ms. Alice Villagomez of the Department of Human Resources (HRD), because the proposed amendment codifies existing practices, the subject ordinance will not result in additional costs to the City, as stated in Attachment I, provided by HRD. The current four-year MOU with Local No. 6 includes a provision stating that existing practices would be reviewed and amended to the existing agreement, according to Ms. Villagomez.

The MOU with Local No. 6 covers 46 classifications, listed in Attachment II provided by HRD, comprising a total of 791 Full Time Equivalent (FTE) positions. Local No. 6 represents employees in the following City departments: Department of Telecommunications and Information Services (DTIS), Department of Building Inspection (DBI), Water Department, Hetch Hetchy, Department of Parking and Traffic (DPT), the Municipal Railway (Muni), the Library, Recreation and Park Department (RPD), Sheriff's Department, War Memorial, Laguna Honda Hospital, the Port and the Airport.

According to Ms. Villagomez, the proposed Amendment No. 2 to the MOU with Local No. 6 contains the following existing practices, which are not included in the current MOU as approved by the Board of Supervisors in 1997:

Workweek, Hours, and Breaks

- The proposed ordinance specifies the regular workweek for employees covered by Local No. 6, which varies according to each employee's position and City department.
- Covered employees would receive a 15-minute break approximately two hours after the start of the shift and approximately two hours before the end of the shift.
- In the event an employee must work through his or her shift without taking a regularly scheduled meal period (approximately mid-shift), the employee shall be entitled to take up to a one-half hour paid meal period during the regular work day.
- All shifts for 8 or 12 hours straight shall include time allotted to a paid meal period at approximately mid-shift. According to Ms. Villagomez, employees required to work 8- or 12-hour straight shifts include those unable to leave their workstation because they are responsible for overseeing certain machinery.
- Free meals are provided to covered employees assigned to the Sheriff's Department at County Jails Nos. 3,7,8, and 9, during unpaid meal breaks, according to Ms. Villagomez.
- The proposed amendment states that reasonable preparation and clean-up time is allowed for all covered employees, appropriate to the work being performed, as determined by a supervisor.

Safety Practices

The proposed amendment states: the "City acknowledges that, for health and safety reasons," the following crews will be staffed as shown below, however, "subject to operational needs of the Department, the crew size may be less than this number."

Department	Number of Employees per Crew
Department of Transportation Road Call Crews	2
Municipal Railway (Muni) Overhead Line Division Crews	4
Muni Digital Systems Platform Sign Change Crews	3 (day shift) 2 (swing shift)
Hetch Hetchy Moccasin & Warnerville Shop Line Crews	3 each
DTIS – any work relating entrance into an underground vault	2
Misc. Departments – work on all live circuits of 277 volts or greater	2
Hetch Hetchy Moccasin Power House & Early Intake Division	3 each

In addition, the proposed amendment states the following:

- For Muni's Overhead Line Division, the Department shall not assign routine maintenance work during moderate to heavy rain conditions.

- For Muni's Digital Systems Maintenance, employees entering into confined spaces must be accompanied by, or part of, an authorized cable machinery crew.

- Upon request, any covered employee working in any jail shall be accompanied by a Deputy Sheriff.

- Covered employees assigned to the Department of Public Works (DPW), Water Pollution Control District, shall be provided with a shower room, one annual physical exam at no charge, free vaccines for hepatitis, tuberculosis and/or any other necessary vaccines required for exposure to raw sewage. Ms. Villagomez advises that such annual physical exams and vaccines are currently provided by the San Francisco General Hospital.

- All work practices at the Department of Parking and Traffic (DPT) must meet the standards of the

International Municipal Signal Association and the CalTrans Work Zone Safety Regulations.

The proposed amendment lists the safety equipment, protective clothing and uniforms that the City provides free of charge to covered employees assigned to certain City departments and responsibilities. According to Ms. Villagomez, funds for providing such equipment, clothing and uniforms are already included in the budgets for each respective City department. The proposed amendment also specifies the frequency by which employees will attend safety meetings, varying according to City department and the employee's position. Ms. Villagomez advises that these safety meetings would take place during an employee's regular shift.

The City provides covered employees at all Departments, except the War Memorial, safe and secure storage facilities for personal effects and work clothes (lockers or the equivalent). The City also provides storage areas for tools provided by the employee and used in the performance of the employee's duties.

Training, Overtime, and Holiday Assignments

The proposed amendment specifies how new hires will be assigned shifts and overtime at Muni, DTIS, the Airport and Hetch Hetchy Moccasin Power House and Early Intake. The polices vary by City department, however, in general, new hires must wait a specified period of time before being assigned to work overtime and/or evening shifts.

The proposed amendment also delineates how overtime and holiday work will be assigned, as follows:

Muni
For employees assigned to Muni's overhead lines, regular voluntary overtime will be distributed based on seniority. Holiday overtime, which is not voluntary, will be assigned on a rotational basis.

Laguna Honda, Hetch Hetchy, Library
Overtime to be assigned on a voluntary basis, at the discretion of supervisor.

Hetch Hetchy Moccasin Power House and Early Intake
Overtime will be assigned on a voluntary basis by seniority in accordance with seniority lists established each year.

Port, Airport, DPW, Water Department, DTIS
Overtime will be assigned on a voluntary basis, offered first to the employee who has worked the longest on the specific job requiring overtime. Thereafter, assignments will be made at the supervisor's discretion. For employees assigned to the Airport's Airfield maintenance, overtime will be offered to the employee with the least number of accrued overtime hours.

Department of Parking and Traffic
Overtime assignments, when necessary, for weekends and holidays is mandatory, made by rotation using an alphabetized list of employees. Weekends are covered by one straight 8-hour shift 7:00am – 3:00pm.

Regular overtime (non-weekend, non-holiday overtime) will be offered to employees who have worked the least number of overtime hours. Regular overtime is generally voluntary unless there are no volunteers, in which case, regular overtime may be assigned by inverse seniority.

Recreation and Parks Department
Overtime will be offered on a voluntary and seniority basis.

Department of Telecommunications and Information Services
Weekend shifts will be filled on a voluntary overtime basis and distributed equally among employees.

Use of City Vehicles/Emergency Response
Supervisors at the Port who are scheduled to be on emergency call 6 or more times in a single fiscal year may be authorized to take a Port vehicle home to be readily available for emergency response. Port supervisors who must call employees to respond to after-hour emergencies receive a minimum of two hours pay for making calls.

The Department of Public Works provides shuttle vans each regular workday to and from the 24th Street BART station and the Cesar Chavez Street Yard or the Water Pollution Control Southeast Plant. Ms. Villagomez advises that this shuttle service is provided Monday through Friday, in the morning and at the end of the day.

Water Department employees assigned to Millbrae and who are temporarily assigned to Sunol report first to Millbrae and then travel to and from Sunol on City time in City-provided vehicles. Such employees do not report directly to Sunol from their homes, because they must first pick up the vehicles they need for their work from Millbrae, according to Ms. Villagomez. The proposed amendment states that "this provision does not address the possibility of future permanent assignments to Sunol."

Parking
The proposed amendment states: "Pursuant to the Award of Arbitrator Buddy Cohn dated October 1, 1999, the City has committed itself to a practice of using its best, good faith effort to furnish no-cost employee parking on City-controlled property or, when such space is unavailable, to obtain free parking elsewhere; but when business needs, costs or other legitimate considerations outweigh the ability to secure suitable free parking, the City is not obligated to acquire it or reimburse its costs."

According to Ms. Villagomez, City-provided employee parking was one of the five practices the City disputed and submitted to arbitration. As stated in Attachment III, provided by HRD, the arbitrator ruled that free parking for covered employees was a past practice. However, the arbitrator ruled that the City would not be required to

cover the direct costs for employee parking. If existing parking is displaced, the City must make a "good faith effort" to find replacement parking, but the City is not required to provide new parking facilities, according to Ms. Villagomez.

Miscellaneous Conditions of Employment

In addition, the proposed ordinance outlines for each City department: (a) how vacation dates will be assigned for covered employees, (b) when applicable, how shifts will be assigned, (c) the policies for taking sick leave, and (d) the lunch room facilities provided to covered employees.

Comments:

1. As noted above, the intent of the proposed amendment is to enumerate and codify existing practices by appending them to the existing MOU with Local No. 6. According to Ms. Villagomez and as stated in Attachment I, Local No. 6 identified existing practices affecting bargaining unit members that were not included in the existing MOU with Local No. 6, and HRD researched and verified such existing practices. The City entered into a tentative agreement with Local No. 6 regarding some of the existing practices and submitted five disputed practice to arbitration (see Comment No. 2). Ms. Villagomez advises that the subject amendment is part of a City effort to update all of its collective bargaining agreements to identify and include existing practices within the already approved MOUs. Ms. Villagomez states that all existing practices included in the proposed amendment were in existence at least since July 1, 1996, or one year before the current MOU went into effect on July 1, 1997. Ms. Villagomez advises that Article VI.C. of the subject MOU provides for the proposed subject inclusion of past practices and defines the criteria for selecting past practices.

2. According to Ms. Villagomez, the five practices listed in Attachment III were advanced to arbitration because the City disagreed with the bargaining unit's representations on a specific matter.

3. According to Ms. Pamela Levin of the Controller's Office, based on HRD's determination that the items covered by the proposed amendment to the existing MOU with Local No. 6 are past practices, there would be no *additional* cost to the City as a result of this MOU amendment. As stated previously, according to Ms. Villagomez, all of the practices outlined in the proposed amendment have been in effect since at least July 1, 1996 and related expenditures, if any, are funded in the appropriate departmental budgets.

Recommendation: Approve the proposed resolution.

City and County of San Francisco

Department of Human Resourc

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

October 25, 2000

TO: Harvey Rose
Budget Analyst, Board of Supervisors

FROM: Alice Villagomez
Deputy Director, Employee Relations Division

RE: Amendments to various MOUs enumerating past practices

These amendments codify long standing past practices funded by existing departmental budgetary allocations. As such, they do not result in any additional funding.

Twenty-two collective bargaining agreements negotiated for the period of July 1,1997 through June 30, 2001 call for the identification and enumeration of past practices to be appended to the master agreement.

The following language is the referenced provision identical in all of the affected agreements:

PAST PRACTICE

> The parties to this Agreement shall meet for the purpose of enumerating all past practices. The parties shall also meet to identify the current Civil Service Rules that are arbitrable. For the purposes of this section, a "past practice" shall mean either (i) an agreement between the City and the Union that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement, or (ii) a known and well-established course of conduct that has been in existence for at least one year and that addresses an appropriate subject to include in the collective bargaining agreement.
>
> 1. Any disputes regarding whether a past practice exists shall be submitted to binding arbitration no later than January 1, 1998, except that this date may be extended for up to an additional three months if requested by either party. The parties shall mutually agree to an arbitrator, pursuant to the provisions of this Agreement. The arbitrator's sole authority shall be to determine whether a past practice exists, as defined in this section. The arbitrator's decision shall be final and binding upon the parties, as provided in Charter Section A8.409.
>
> 2. All past practices agreed by the parties to be included in the Agreement shall be appended to the Agreement and approved pursuant to the provisions of Charter Section A8.409, including submission for approval by the Board of Supervisors. All past practices to be included in the Agreement by award shall be

appended to the Agreement, subject to implementation pursuant to Charter Section A8.409. Thereafter, all alleged violations of appended past practices will be subject to the grievance and arbitration procedure of the Agreement.

There shall be no change or modification of any past practice or other understanding between the parties (except for those matters governed by the Civil Service Rules excluded from arbitration) until the parties reach final agreement on the inclusion of past practices into the agreement or until the arbitration award is issued pursuant to the provisions herein whichever is later. Thereafter, the parties agree that all past practices and other understandings between the parties not expressly memorialized and incorporated into this Agreement shall no longer be enforceable.

The City and the unions began the process of the identification, research, verification, confirmation and drafting of submitted lists of practices in August of 1997. Seventeen of the twenty- two unions submitted lists of practices by January 1998. The three month extension provided under the past practices provisions was activated and the period was extended to April 1, 1998.

The process to research, verify and determine which of the practices advanced by the unions met the criteria and definition of the past practices provision was lengthy in so far that each practice had to be verified with all affected City departments and or when a practice only had been identified for one City department such practice was then confirmed and then codified for that one department.

This is the first set of amendments for the seven subject MOUs that reflect the completion of the process. Of the seven subject MOUs, there was one item relating to work day/ work week which was advanced to arbitration by the Glaziers. The Arbitrator ruled in favor of the City's position and as such the practice in dispute is not contained in the list of submissions under amendment # 1 to the MOU between the City and Glaziers Union Local No.718.

The Employee Relations Division is continuing in finalizing the amendments for other subject MOUs for which practices were either advanced to arbitration and or required further clarification and revision.

The process has been a very lengthy one since it involved all affected city departments and in some cases specific work sites for each list of practices identified by a union for the numerous subject MOUs.

The enumeration and codification of working condition practices will be formalized as terms and conditions of employment appropriately appended to the respective collective bargaining agreements with the ratification of these amendments.

Employee Group Jobcode Listing

06 Electrical Workers, Local 6

Job code	Title	Bargaining Unit	Bargaining Sub Unit
6248	Electrical Inspector	01	L
6249	Senior Electrical Inpsector	01	L
6250	Chief Electrical Inspector	01	L
6252	Line Inspector	01	L
7214	Electrical Trnst Equip Sprv	01	L
7216	Electrical Trnst Shop Sprv 1	01	L
7229	Transmission Line Supervisor 1	01	L
7235	Transit Power Line Sprv1	01	L
7238	Electrician Supervisor 1	01	L
7244	Power Plant Supervisor 1	01	L
7253	Electrical Trnst Mech Sprv 1	01	L
7255	Power House Electrician Sprv 1	01	L
7256	Electric Motor Repair Sprv 1	01	L
7257	Communication Line Sprv1	01	L
7273	Communications Line Wrk Sprv 2	01	L
7274	Trnst Power Line Wrk Sprv 2	01	L
7275	Telecommunications Tech Supv	01	L
7276	Electrician Supervisor 2	01	L
7279	Power House Electrician Sprv 2	01	L
7285	Transmission Line Wrk Sprv 2	01	L
7287	Sprv Electronic Main Tech	01	L
7308	Cable Splicer	01	L
7318	Electronic Maintenance Tech	01	L
7319	Electric Motor Repairer	01	L
7329	Electr Maint Tech Asst Sprv	01	L
7338	Electrical Line Worker	01	L
7345	Electrician	01	L
7363	Power House Electrician	01	L
7364	Power House Operator	01	L
7365	Senior Power House Operator	01	L
7371	Electrical Transit System Mech	01	L
7380	Electrl Trnst Mech, Asst Sprv	01	L
7390	Welder	01	L
7408	Assistant Power House Operator	01	L
7430	Asst Electronic Main Tech	01	L
7432	Electrical Line Helper	01	L

1 of 2

Source: Department of Human Resources

Employee Group Jobcode Listing

7480	Power Generation Technician 1	01	L
7482	Power Generation Technician 2	01	L
7484	Sr Power Generation Tech	01	L
7488	Power Generation Supervisor	01	L
7510	Lighting Fixture Maint Worker	01	L
9240	Airport Electrician	01	L
9241	Airport Electrician Supervisor	01	L
9242	Head Airport Electrician	01	L
9354	Elevator and Crane Technician	01	L
9358	Crane Mechanic Supervisor	01	L

To: Harvey Rose
Board of Supervisors Budget Analyst

From: Alice Villagomez
Deputy Director, ERD

Re: Local 6 Past Practice Arbitration Issues

Below is a chart describing the issues and decision for the five issues submitted to arbitration by Local 6.

Local 6 Arbitration decision summary – Past Practices
(IBEW v. City and County of San Francisco, dated October 1, 1999)

Issue		Decision
Parking Tickets		DBI and DPW Inspectors – Ruled in favor of the Union – the practice of Department not making employees responsible for certain parking tickets issued in the course of employment is a past practice. Parties agreed not to include in the MOU.
Rents		The rental rate for employees who voluntarily live on City-owned property at Hetch Hetchy is not a past practice. Any dispute is a landlord/tenant issue, not an employer/employee issue.
Workweek / Workday		Non-Muni – Ruled in favor of the Union. Existing shifts frozen – Paragraph 161 locks in shifts and overtime provisions, except for Muni. (Local 6 may agree to modify, must meet and confer). Muni – Full discretion to modify with meet and confer based on Muni departmental MOU.
Sunol Travel		Ruled in favor of the Union. For temporary assignment to Sunol – employees report first to Millbrae, then travel to and from Sunol on City time.
Parking		Ruled in favor of the Union, but modified. A past practice, but no guarantee of "free parking." City will use "best efforts" to find free parking when existing parking is displaced, but will not provide a new facility or cover direct costs for parking.

Item 13 – File 00-2055

Department: Municipal Transportation Agency (MTA)

Item: Resolution establishing compensation for the Municipal Transportation Agency Board of Directors commencing on August 1, 2000 in the amount of $300 for each meeting attended, not to exceed $10,800 per Fiscal Year.

Description: Charter Section VIIIA, added to the Charter by voter approval of Proposition E in November of 1999, states that Directors of the Municipal Transportation Agency shall "receive reasonable compensation for attending meetings of the Agency which shall not exceed the average of the two highest compensations paid to members of any board or commission with authority over a transit system in the nine Bay Area Counties". Presently, members of the Board of Directors of the Municipal Transportation Agency receive compensation of $100 per month, or $1,200 per year.

In January of 2000, the MTA surveyed twenty-two agencies that provide either city bus service or countywide bus service. Ten agencies responded. The average of the two highest compensations is $900 per month, or $10,800 per year, as shown in the Attachment to this report[1].

The proposed resolution would set compensation for Directors of the MTA of $300 per meeting, not to exceed $10,800 per year.

Comments: 1. Mr. Robert Bryan of the City Attorney's Office advises that Proposition E does not specify what entity has authority to approve the proposed compensation level for Muni Directors. Mr. Bryan notes, however, that final approval of any change in pay rate, unless otherwise specified in the City Charter, must be approved by the Board of Supervisors. Thus, Board of Supervisors approval will satisfy the legal requirements of Charter

[1] The attachment shows that BART and Santa Rosa City Bus Transit agencies pay their Board members $1,000 and $800 per month, respectively. The average of these two highest paying transit agencies is $900 per month, or $10,800 per year.

Section VIIIA for official approval of the proposed compensation rate for Muni Directors, advises Mr. Bryan.

2. The current pay for Class 0114 MTA Directors is a flat rate of $100 per month, or $1,200 per year. The proposed resolution would increase the maximum pay per Muni Director to $900 per month, or $10,800 per year. Approving this proposed resolution would result in an increase of the maximum allowable compensation for members of the MTA Board of Directors by $800 per month, or $9,600 per year, for each of the seven MTA Directors for a total of $67,200[2].

3. According to Ms. Roberta Boomer of the MTA, the MTA schedules two regular meetings per month, or 24 meetings per year. However, for a number of reasons, a few meetings each year are cancelled. Additionally, the MTA Directors periodically schedule meetings outside the bimonthly, regularly scheduled meetings, as circumstances require. According to Ms. Boomer, meetings are cancelled and convened outside the regular bimonthly meeting schedule with roughly equal frequency. Thus, according to Ms. Boomer, the average number of meetings conducted each year is expected to be approximately 24.

Since the MTA Directors began meeting in March of 2000, the MTA has conducted 17 regularly scheduled meetings, and four special meetings, for an average of 2.3 meetings per month. Ms. Boomer projects that at the end of June, 2001, the MTA Directors will have met 26 times in FY 2000-2001. The projected increased cost for FY 2000-2001 from the effective date of August 1, 2000 through June 30, 2001 is $44,800, according to Ms. Boomer[3]. Ms. Boomer states that more special meetings were required this year

---

[2] Ms. Boomer indicates that virtually every meeting is attended by all seven Directors.

[3] In FY 2000-2001, one meeting was held in July of 2000 (prior to the effective date of August 1), and 25 meetings are projected to be held during the remainder of FY 2000-2001 (subsequent to the effective date of August 1). Thus, the increased cost of the proposed compensation rate consists of the proposed rate for MTA Directors for the 25 meetings expected to be held during the 11 months of August 2000 through June 2001 ($300 per Director per meeting x 7 Directors x 25 meetings, or $52,500) less the current compensation rate for those same 11 months ($100 per Director per month x 7 Directors x 11 months, or $7,700), for a total expected increased cost of $44,800.

than expected, and that she still expects the average year of operations to consist of approximately 24 meetings.

4. Based on the MTA's anticipated total of 24 meetings per year and the proposed compensation level of $300 per meeting, per Director, the total cost of the proposed change in compensation for Muni Directors would be approximately $50,400. This cost would represent an increase of approximately $500 per month per Muni Director, or $6,000 annually per Director for a total increase of $42,000 per year for all seven members of the Board of Directors. However, if each MTA Director were to receive the maximum annual compensation of $10,800 per year, the increased cost would grow from $42,000 annually to $67,200 annually, as shown in the table below.

	Current Compensation	Total Compensation Based on 24 Meetings per Year	Maximum Compensation Based on 36 or More Meetings Per Year
Compensation Per Meeting for Each Director	$100	$300	$300
Maximum Annual Compensation Per Director	1,200	7,200	10,800
Total Cost for Seven Directors	8,400	50,400	75,600
Increase over Current Total Expenditures	$ -	$ 42,000	$ 67,200

5. According to Ms. Boomer, Muni did not set aside funds in its FY 2000-2001 budget for increased compensation for Muni Directors. However, Ms. Boomer notes that the expected increased cost of $44,800 for compensating Muni Directors for attending 26 meetings in FY 2000-2001 would be absorbed within the MTA's FY 2000-2001 budget. Additionally, Ms. Boomer states that, if the Board of Supervisors approves the proposed rate of

compensation for Muni Directors, Muni would include the resulting increased compensation costs in its FY 2001-2002 base-line budget.

6. The proposed resolution would establish new compensation for Muni Directors beginning August 1, 2000. Therefore, the proposed resolution should be amended to provide for retroactivity. Ms. Boomer states that, while Muni Directors have not been compensated at the new proposed rate, they would be reimbursed retroactively to August 1, 2000, should the Board of Supervisors approve the proposed resolution.

7. The attachment to this report, provided by Muni, contains information regarding the survey of Bay Area transportation agencies conducted by Muni.

Recommendations:

1. Amend the proposed resolution to provide for retroactivity (see Comment No. 6).

2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

TRANSIT AGENCY	PAY PER MEETING	MAXIMUM PER MONTH/YEAR	RESTRICTIONS/ STRUCTURE
AC Transit	$100	$500/mo	Includes attendance at board meetings and days spent engaged in district business
BART		$1000/mo	Attendance required at all board meetings. *
Contra Costa County Transit Authority		$100	Attendance required at one board/ committee meeting
Golden Gate Bridge Board	$ 50	$5,000/yr	Board President receives a maximum of $7,500
Joint Powers Board (Caltrain)	$100	$400/mo	
Petaluma Transit	$ 5		The city council oversees the agency The mayor receives $10 per meeting
SamTrans	$100	$400/mo	Includes board and committee meetings
Santa Rosa CityBus		$800/mo	The city council oversees the agency. The Mayor receives $900
TriDelta Transit	$ 75	$225/mo	
Santa Clara VTA	$ 50	$300/mo	Includes board and committee meetings
Wheels (Livermore-Amador)	$ 50		Travel to special meetings reimbursed

*If members fail to attend scheduled board meetings, that member is compensated at the rate of $100 per board/committee meeting with a maximum paid of $500 in a calendar month. $100 is deducted for failure to attend committee meetings on which they serve.

Item 14 - File 00-2048

Department: Public Utilities Commission (PUC)

Item: Resolution approving the San Joaquin River Group Authority Joint Exercise of Powers Agreement and Division Agreement and authorizing the President and General Manger of the Public Utilities Commission to execute these agreements on behalf of the City and County of San Francisco.

Background: In 1995, the State Water Resources Control Board adopted the Water Quality Control Plan of the San Francisco Bay/San Joaquin Delta Estuary ("the State Plan") in an effort to protect salmon and other wildlife by setting standards for chemical quality and the amount of water flowing in the San Joaquin River and its tributaries. According to Mr. Michael Carlin, the Water Resources Planning Manager for the Public Utilities Commission (PUC), the State Water Resources Control Board noted at the time that implementation of the State Plan could affect the water rights of more than 500 parties, including San Francisco's senior rights to divert water from the Tuolumne River, a tributary of the San Joaquin River. Therefore, the manner in which the State Water Resources Control Board implemented the 1995 State Plan could substantially impact the City's water supply.

In order to implement the 1995 State Plan while protecting the involved parties' water rights, Federal and State agencies, major water rights holders in the San Joaquin River basin, and other stakeholders (including the City) jointly created a 12-year San Joaquin River Agreement (the River Agreement). The Board of Supervisors approved the City's participation in the River Agreement on July 31, 2000 (File 00-1136). The purpose of the River Agreement is to:

- Protect salmon and other wildlife by setting standards for water chemical quality and the amount of water flowing in San Joaquin River and its tributaries.

- Authorize the Vernalis Adaptive Management Program (VAMP) to study the effect of those standards on salmon habitat conservation.

While the River Agreement does not require the City to release any of its stored water or reduce the amount of water the City is permitted to collect from the Tuolumne River[1], the River Agreement does obligate the City to help fund the VAMP study of salmon conservation in the San Joaquin River. According to Mr. Carlin, the total cost of the 12-year VAMP study is estimated to be $4,800,000 and will be funded jointly by the different parties to the subject agreement. Of that amount, the River Agreement, as approved by the Board of Supervisors, obligates the City to pay a total of $150,000, or $12,500 per year for the 12 years of the Agreement, from August of 2000 to August of 2012. Therefore, the City would fund 3.1 percent ($150,000) of the entire $4,800,000 12-year VAMP study.

Description:

Under the subject resolution, the City would join the seven members of the San Joaquin River Group Authority established in 1996 to administer the River Agreement. The City's participation as the eighth member of the Authority would be achieved through signing two further agreements:

- The San Joaquin River Group Authority Joint Exercise of Powers Agreement (the Joint Powers Agreement).
- A corresponding Division Agreement.

Under the <u>Joint Powers Agreement</u>, which Ms. Ellen Levin of the PUC states would be a 40-year commitment, the Joint Powers Authority is responsible for (a) investigating, planning, monitoring, controlling, regulating, and mitigating the impacts of water projects on the fish and wildlife resources of the San Joaquin River and the Bay-Delta Estuary, and (b) investigating,

[1] While other water jurisdictions party to the subject Agreement have agreed to release specific amounts of water over the next 12 years in order to meet goals set in the Agreement for the amount of water flowing in the San Joaquin River and its tributaries, the Agreement does not require the City to release any additional water because, if the City did release any water, the City would not be able to meet customer water demand during times of shortage. As a result, the City will not receive any of the $4,000,000 in Federal and State compensation funds which have been made available to those jurisdictions which do release water under the terms of the River Agreement.

planning, funding, and constructing additional water supply projects such as off-stream and ground water storage, conjunctive use[2], conservation, and water marketing to meet flows for fish and wildlife or for the needs of member agencies. The other seven signatories to the Joint Powers Agreement are:

- Merced Irrigation District.
- Modesto Irrigation District.
- Oakdale Irrigation District.
- South San Joaquin Irrigation District.
- Turlock Irrigation District.
- Friant Water Users Authority, a California Joint Powers Authority consisting of 25 public water agencies.
- San Joaquin River Exchange Contractors Water Authority, a California Joint Powers Authority consisting of two public water agencies and two mutual water companies.

The Division Agreement is the agreement between all the San Joaquin River Group Authority members which determines each year the volume of water to be provided by each member to meet the VAMP water flow requirements, and the priority order in which each member must release the volume of water required from it. Each San Joaquin River Group Authority member is compensated according to the volume of water prescribed by the River Agreement. According to Ms. Levin, although San Francisco is not obliged to provide any water, it is a party to the Division Agreement in order to clearly state that San Francisco does not have to contribute any water.

Comment: In addition to the City's contribution of $150,000 to the VAMP study approved under the River Agreement, Ms. Levin states that the City's participation in the Joint Powers Agreement is likely to involve the following costs:

- $50,000 to $60,000 annually for San Joaquin River Group Authority administrative and overhead costs.

[2] "Conjunctive use" refers to the use of a ground water basin for storage of surface water which is pumped into the basin and held there until needed for future use.

This sum is one-eighth of the Authority's total anticipated annual administrative and overhead costs.

- One-eighth of the costs of special studies. Ms. Levin notes that the San Joaquin River Group Authority has been successful in obtaining grant money for such studies which reduces San Joaquin River Group Authority members' contributions. Furthermore, there is a clause in the Joint Powers Agreement which allows San Joaquin River Group Authority members to exclude themselves from projects if they do not wish to participate.

Recommendation: Approve the proposed resolution.

Memo to Finance and Labor Committee
December 20, 2000 Finance and Labor Committee Meeting

Item 15 – File 00-2047

Department: Sheriff

Item: Hearing to consider the release of reserved funds for the Sheriff's Department in the amount of $1,379,072 to fund overtime expenditures.

Amount: $1,379,072

Source of Funds: Sheriff's Department FY 2000-2001 General Fund Budget

Description: The Sheriff's Department FY 2000-2001 General Fund budget includes budgeted overtime expenditures of $3,319,370. The Finance and Labor Committee placed a total of $1,379,072 of this amount on reserve, leaving $1,940,298 available for expenditure.

The table below provides a summary of overtime spending to date and projected spending for FY 2000-2001, as well as spending to date and projections for all Sheriff's Department General Fund Salary and Fringe Benefit accounts based on the Controller's payroll records.

Controller's Projection - Sheriff's Department General Fund Expenditures for Overtime and total Salaries and Fringe Benefits through November 10,2000

	FY 2000-2001 Budget	Actual Expenditures Through Pay Period Ending 11/10/2000	Projected Expenditures Through July 30, 2001 *	Projected Surplus (Deficit)
Overtime	$ 3,319,370	$ 1,987,838	$ 5,670,395	$ (2,351,025)
All Salaries and Fringe Benefits Including Overtime	60,796,938	23,209,296	63,243,649	(2,446,711)

* Projection based on spending at the level of the pay period ending 11/10/2000 for the remainder of the Fiscal Year.

As summarized in the table above, the Controller's latest projection report for salary and fringe benefit expenditures (including overtime) shows that:

- As of the pay period ending November 10, 2000, the Sheriff's Department has incurred General Fund overtime expenditures of $1,987,838.

- Through November 10, 2000 (or 9.5 of 26.0 pay periods in FY 2000-01) the Sheriff's Department has already expended 59.9 percent of its total overtime appropriation of $3,319,370, and 102.5 percent of its available, unreserved overtime funding of $1,940,298.

- Based on overtime expenditures incurred during the pay period ending November 10, 2000, the Controller's projection indicates that the Sheriff's Department will spend a total of $5,670,395 on overtime which is 70.8 percent or $2,351,025 more than the Department's total FY 2000-01 overtime appropriation of $3,319,370.

- For all Salaries and Fringe Benefit Expenditures, including Overtime, the Controller's projection indicates that the Sheriff's Department will incur total expenditures of $63,243,649 in FY 2000-2001, which is $2,446,711 or 4.0 percent more than the FY 2000-2001 budget amount of $60,796,938.

- However, the Sheriff's Department currently projects that deficit spending rates will decrease over the remaining pay periods of the Fiscal Year, resulting in a projected deficit for overtime of $1,759,730. For all Salaries and Fringe Benefits (including overtime) the Sheriff's Department projects a deficit of $1,911,919. (See Comment 1).

Based on the data summarized above, it is therefore likely that the Sheriff's Department will require a supplemental appropriation in FY 2000-2001 in the amount of at least $1,911,919 which is primarily made up of the Department's projected overtime deficit of $1,759,730.

The Sheriff's projected overtime deficit of $1,759,730 is $591,295 less than the Controller's projection shown on the previous page because it takes into account expected reduced overtime spending as Sheriff's Deputies now in training are assigned to full duty in the second half of the fiscal year. Total overtime spending projected for FY 2000-2001 by the Sheriff's Department is $5,079,100.

In a memorandum to the Finance Committee dated November 21, 2000, the Sheriff requests that the Committee release $1,379,072 in previously reserved overtime funds. The memorandum attributed high overtime spending through the first 8.5 pay periods of FY 2000-01 to a structural staffing deficit of 90 Uniformed positions. According to the Sheriff's memorandum, Department overtime could be significantly reduced, but not eliminated if the following 90 positions were added to the Sheriff's Department budget:

- Five Deputy Sheriff's for prisoner transportation to San Francisco General Hospital when prisoners are injured and prisoner supervision at the SFGH;
- 20 Deputy Sheriff training positions to add funding to account for academy or other basic training requirements;
- 15 Deputy Sheriff's for City Hall security that is now staffed entirely on overtime;
- 50 Deputy Sheriff's to backfill Deputy Sheriff's on personal or disability leave instead of expending overtime for this purpose.

Comments:

1. The Sheriff's projected FY 2000-2001 deficit of $1,911,919 is comprised of the following elements:

Expenditure Object	Projected Surplus (Deficit)
Permanent Salaries	($529,098)
Temporary Salaries	(46,732)
Premium Pay	(15,765)
Overtime	(1,759,730)
Holiday Pay	(83,339)
Fringe Benefits	522,745
Total FY 2000-01 Deficit	($1,911,919)

2.In May of 2000, the Sheriff received approval of a FY 1999-2000 supplemental appropriation of $4,695,097 which included new funding for overtime of $3,304,981. The Sheriff expended a total of $5,855,503 for overtime in FY 1999-2000. However, $617,796 of that total represented court overtime expenditures for the Sheriff which was paid for by a transfer of Trial Court Funds, resulting in net General Fun overtime expenditures of $5,237,707 in FY 1999-2000. The Sheriff's projected net General Fund overtime spending of $5,079,100 in FY 2000-2001 is approximately 3.0 percent less than actual overtime spending in FY 1999-2000.

3. Presently, the Sheriff's Department has 43 new Deputy Sheriff recruits in the final stages of their basic training. Beginning in January of 2001, most of these Deputy Sheriff positions will be assigned to the County Jails, the units responsible for the greatest amounts of overtime spending during the first half of FY 2000-2001. Once these personnel are assigned to full duty, overtime spending is expected to decrease by approximately $30,000 per pay period for the balance of the Fiscal Year according to Ms. Jean Mariani.

4. Since the July 1, 2000, the Sheriff's Department has hired 43 Deputy Sheriff's and 36 have left the Department. For the remainder of FY 2000-2001, the Department estimates that approximately 20 more Deputy Sheriff's will leave the Department and that 26 more will be hired. Therefore, for the entire fiscal year, the Sheriff's Department will have hired 69 new Deputy Sheriff's while 56 will have left the Department (based on current estimates), resulting in a net increase of 13 filled positions. Currently, the Department has 48 vacant sworn Deputy Sheriff positions.

5. As noted above, according to the Sheriff's memorandum dated November 21, 2000, Department overtime could be significantly reduced, but not eliminated if 90 new Deputy Sheriff positions were added to the Sheriff's Department budget. The Budget Analyst notes that the total salary costs, premium pay and fringe benefits for 90 such positions would be approximately \$6.5 million annually, or approximately \$1.4 million more annually than all overtime expenditures projected by the Sheriff's Department for the current fiscal year. Ms. Mariani notes however, that the addition of 90 new Deputy Sheriff positions would also substantially eliminate the accrual of compensatory time by sworn employees, thus reducing the future liability of potential overtime expenditures caused by absences due to the use of such compensatory time.

Recommendation: Approve the requested release of \$1,379,072 in reserved overtime funds.

Item 16 – File 00-2132

Department: Aging and Adult Services

Item: Resolution authorizing the Director of Aging and Adult Services to accept and expend a gift from the San Francisco Hospital Council, acting through Health Plus Services, in the amount of $37,000 for creation of a liaison program between the Public Guardian and hospitals that are members of the San Francisco Hospital Council.

Source of Gift: San Francisco Hospital Council

Value of Gift: $37,000

Description: The proposed resolution would authorize the acceptance of a gift in the amount of $37,000 from the San Francisco Hospital Council to fund a 0.5 FTE Health Worker position at the Department of Aging and Adult Services, Office of the Public Administrator/Public Guardian. This position would act as a liaison between hospitals that are members of the San Francisco Hospital Council, as shown in the Attachment, and the San Francisco Public Guardian. The liaison would help guide hospital discharge planners through State conservatorship law, evaluate patients to determine the most appropriate program for referral once patients are released from a member hospital, and help expedite the necessary court filings.

Budget: The budget for the subject gift, provided by the Department of Aging and Adult Services, is as follows:

Personnel (0.5 FTE, Health Worker IV-LT)	$27,820
Fringe Benefits (@24%)	6,677
Field Expenses	1,103
Equipment	1,400
TOTAL	**$37,000**

Comment: According to Dr. Sandra Nathan of the Department of Aging and Adult Services, the subject gift would fund a 0.5 FTE Health Worker IV for the limited term of January 1, 2001 through June 30, 2001. The 0.5 FTE position would terminate if the Department did not receive additional funding from the San Francisco Hospital Council. According to Mr. John Clark of the

Department of Aging and Adult Services, the Department expects to fill this position by the third week in January. Dr. Nathan states that the City will not incur any costs as a result of the subject gift.

Recommendation: Approve the proposed resolution.

for Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

Attachment

City and County of San Francisco
Public Administrator - Public Guardian

Ricardo Hernandez
Public Administrator-Public Guardian
Linda Samsom
Assistant Public Administrator-Assistant Public Guardian

MEMO

To: Ms. Anna Weinstein
Budget Analyst's Office
San Francisco Board of Supervisors

From: Mr. Ricardo Hernandez
San Francisco Public Administrator/Public Guardian

Re: $37,000 Gift to the Department of Aging and Adult Services from the San Francisco Hospital Council

Date: December 13, 2000

The following is a listing of all the San Francisco Council hospitals:

(1) Laguna Honda Hospital
(2) St. Luke's Hospital
(3) St. Mary's Hospital
(4) St. Francis Hospital
(5) Kaiser Medical Center of San Francisco
(6) U.C. San Francisco Medical Center
(7) California Pacific Medical Center
(8) San Francisco General Hospital
(9) Veteran Administration Medical Center of San Francisco
(10) Jewish Home for the Aged Hospital
(11) Chinese Hospital.

All of the above hospitals will participate in the program with the exception of the Jewish Home for the Aged Hospital and Chinese Hospital.

875 Stevenson Street, Room 260, San Francisco, California 94103
Principal Number (415) 554-5055 Fax Number (415) 554-5026

0.254

27/00 canceled
&
3/01 canceled

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

NOTICE OF CANCELLED MEETINGS

FINANCE AND LABOR COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meetings of the Finance and Labor Committee scheduled for Wednesday, December 27, 2000, and Wednesday, January 3, 2001, at 10:00 a.m., at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, have been **cancelled**.

Gloria L. Young, Clerk of the Board

FINANCE AND LABOR COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

41 Library
100 Larkin Street Govt Information Center

2